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# Automotive News®

August 17, 1987



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AUTOMOTIVE NEWS/JOE WILSSENS

**Casing the merchandise at cleanup time**
Price tags may bring sticker shock, and that is the situation that end-of-model incentives are designed to remedy. This couple went shopping for a car at a General Motors dealership after the "Big One" came back. **Story on Page 6.**

# Chrysler eyeing big price hikes for some '88s

**By Mary Connelly**
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Motors has tentatively raised prices an average of 7 percent on its Chrysler, Plymouth and Dodge cars for the 1988 model year.

The analysis of pricing information distributed to dealers was not sales-weighted or adjusted for changes in standard equipment on the 1988 models.

Chrysler has not announced its 1988 pricing but has distributed to dealers a tentative price schedule. In recent years, those early prices have run very close to Chrysler's final pricing schedule.

Substantial price hikes on some models reflect Chrysler's move to include more items in standard equipment packages, dealers said.

For example, the 1988 Chrysler New Yorker Turbo is tentatively priced at $17,373 which is 20 percent higher than the 1987 model year price of $14,396. The turbocharged engine was a $678 option on the 1987 model.

Chrysler Motors maintained its introductory-level prices on cars throughout the 1987 model year.

The 1988 Chrysler LeBaron coupe in the base version is tentatively priced 1.5 percent above the 1987 model. However, the premium version is tentatively increased 12.5 percent from $12,288 in 1987 to $13,830 in 1988, dealers said.

Similarly, the Dodge Caravan LE and Plymouth Voyager LE tentatively jump 14.6 percent from the current $11,741 to $13,462 in 1988. The Grand Caravan LE and Grand Voyager LE show tentative increases of 23.4 percent from $12,561 to $15,509.

Base versions of the Caravan and Voyager tentatively rise 4.5 percent, according to dealers. Standard SE minivans show a tentative 6.5-percent hike, and stretched SE minivans in the SE version get a 6.3-percent boost.

Dealers said some of the increases reflect additions in standard equipment. In some models, including the premium LeBaron coupe, for example, air conditioning becomes standard.

Dealers said they have not been given tentative prices for the new 1988 luxury sedans, the Chrysler New Yorker, Chrysler New Yorker Landau and Dodge Dynasty. Chrysler also has not notified dealers of the pricing of the 1988 Dodge Omni and Plymouth Horizon America models which go back into production in September.

Tentative 1988-model prices obtained from dealers indicate that Chrysler will add a premium version of its LeBaron convertible priced at $18,079.

The base convertible tentatively declines $15, from $13,974 in 1987 to $13,959 in 1988.

The Dodge Aries/Plymouth Reliant lineup changes in 1988, according to the pricing information: There will be only one two-door and one four-door version, both LE models. Both are tentatively priced at $8,364, unchanged from 1987. The base Aries/Reliant models

**see CHRYSLER, page 69**

# Daihatsu seeks N. America tie

**By Jesse Snyder**
AUTOMOTIVE NEWS STAFF REPORTER

OSAKA, Japan — Daihatsu Motor Co. is searching for a new North American production source for its fledgling U.S. sales operation.

The head of the Japanese company's overseas project office said Daihatsu is considering several options after a tentative joint venture between Daihatsu and Canada's Bombardier was called off in June.

Haruo Fujii, who doubles as chief of the project development group, said options include another joint venture, taking over an existing U.S. or Canadian assembly plant or contract sourcing, whereby an existing North American producer would build cars to specification using Daihatsu tooling.

That would be similar to the arrangement Chrysler and American Motors worked out to build Chrysler M-body cars before AMC was absorbed by Chrysler.

The contract sourcing was not originally considered by Daihatsu. "But after the Bombardier talks broke off, many offers came to us," Fujii said.

However, no decision will be made until Daihatsu learns what its future U.S. allocation will be under the Japanese government's car-export quota, Fujii said.

Daihatsu is limited to 11,498 cars in its initial effort in the United States or one-half of one percent of the entire Japanese export allocation of 2.3 million cars for the year ending March 31, 1988.

Daihatsu has delayed its launch date to Dec. 1 to enable it to bunch the 11,498 units into the final four months of the quota year. Daihatsu had expected to receive an initial allocation of at least 20,000 cars.

"We will aggressively pursue a larger allocation this year," Fujii said.

He would not speculate whether Japan's Ministry of

**see DAIHATSU, page 71**

# COP FLOP

## *Police brass tell makers of problems in vehicles*

**By Geoff Sundstrom**
AUTOMOTIVE NEWS STAFF REPORTER

ORLANDO, Fla. — Law enforcement officials say they have plenty to do without worrying whether the vehicles they drive will catch fire, experience steering lock-up or lose their brakes.

But, according to police fleet administrators, officers do need to worry about those problems.

State and local police also are concerned that some of the problems they encounter are shared by the civilian versions of their patrol vehicles, though they admit their modified cars are driven much harder than the average citizen's vehicle. Unfortunately, they often do not report those problems to NHTSA.

According to police fleet managers gathered here for the National Association of Fleet Administrators' Law Enforcement Seminar, problems in police fleets include:

Police complain that hard braking causes Dodge Diplomat to spin

AUTOMOTIVE NEWS/GEOFF SUNDSTROM

**Ford Crown Victoria:**

- High levels of carbon monoxide in the car.
- Cracked or broken diaphragm on the carburetor causes exhaust system to heat up and results in fires.
- Prolonged use of four-way safety flasher causes fuse block to melt.

**Ford Mustang:**

- Heat shield on the exhaust manifold cracks

**see POLICE, page 69**

# Dealer total off 74 for 1st half; GM down 80

**By John K. Teahen Jr.**
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — A decline by General Motors cut the number of dealerships handling domestic makes of cars in the first six months of 1987.

The latest Automotive News census found 20,331 domestic-car outlets on July 1, down 74 from the 20,405 in operation at the beginning of the year. But GM alone suffered a drop of 80 locations.

Elsewhere, Chrysler Motors posted a gain of 28 car dealerships. Ford Motor Co. was down 13; American Motors-Renault was off 19; and Volkswagen reported the same total for both census dates. A

**see CENSUS, page 70**


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Parts strikes shut all Korean plants
Page 2

Wixom expansion means millions for Ford
Page 3

Stocks dip in July; early August sales rise
Page 47

# Wixom expansion could give Ford $1 million

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. is making investments at its luxury-car plant in Wixom, Mich., that could add $1 million a day to its pre-tax profit.

A new paint shop now being built will break up a production jam and allow Ford to manufacture about 10 more units an hour, said Sam Mills, manager of paint process and systems. The plant now turns out 43 Lincoln Mark VIIs, Town Cars and Continentals hourly.

Analysts project that Ford earns an average of about $6,000 before taxes on each Lincoln it now builds.

As the plant has been running two shifts daily, the new paint shop will allow Ford to build at least 160 additional cars per day. Any overtime could boost the daily output by as much as 40 cars.

Four auto analysts and an accounting expert surveyed by Automotive News agreed that at those rates, the added production would generate between $960,000 and $1.2 million in pre-tax earnings per day. Multiplied by 220 working days a year, the added earnings would amount to at least $211 million annually. Taxes would take about 41 cents from each of those dollars, analysts said.

Mills said that Ford hasn't awarded all the construction contracts for the paint shop, and he declined to put a price tag on it. Analysts estimate the cost in the $250 million to $300 million range. If that cost is written off over 15 years, the shop would account for $16 million to $20 million in depreciation charges annually.

Another factor affecting profitability would be the development costs for the new 1988 Continental, which Ford will likely continue writing off as the paint shop comes on stream.

"When you open up a bottleneck like that, and they can move them (the cars), the return on investment is pretty good," said David Healy, an auto analyst at Drexel Burnham Lambert.

A Ford spokeswoman declined to comment, citing the company's policy of not revealing internal financial information. But she pointed out that any earnings projections are speculative, especially when events such as an increase in fuel prices or a shift in consumer tastes could sharply curtail the public's appetite for luxury cars.

The Wixom plant, which turned out 183,035 cars last year, is already a significant contributor to Ford's profits. Ford earned a record $3.3 billion in 1986 and nearly $3 billion in the first half of this year.

The paint shop isn't expected to be operating until at least August 1988. And while continued demand for the Lincolns can't be guaranteed, dealers are now reporting short supplies.

At the end of July, average inventory levels for the Lincoln line stood at a lean 46 days. Additional demand is anticipated this fall when the next-generation Lincoln Continental goes on sale.

"It's a hell of a good problem to have," said Bob Tasca Jr., a Lincoln-Mercury dealer in Seekonk, Mass. "I think they missed a lot

see WIXOM, page 72

# Damoose heads back to Chrysler

*Quits top Audi post to head sales and marketing in Canada*

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — John B. Damoose, the young executive whose take-charge efforts won him acclaim for pumping life back into Audi of America, resigned last week, nine months after taking the job.

He will become vice president of sales and marketing for Chrysler Canada. When he left Chrysler Motors last fall, he was general manager of marketing for Dodge Division.

By his own account, Damoose, 40, is leaving a company that has advanced just a fraction of the way toward recovering from the crisis he was brought in to resolve. His tenure at Audi was marked by significant sales gains and bolstered dealer confidence.

Damoose

Yet the charges and confusion over sudden acceleration in the Audi 5000 persist. Just last month, a New York consumer group called Audi's shift-lock device a failure. And the company hasn't demonstrated that its cars can be sold without generous incentives.

Damoose made it clear, though, that he had no doubt about Audi's continued progress: "If I didn't think the crisis was over, no opportunity would have lured me away."

Chrysler's offer was unexpected and unsolicited, Damoose said. He said he is anxious to work again with the people he developed an affection for as the company battled its own trouble earlier in this decade. "The long-term prospects (at Chrysler) looked very good," he said. "I don't think I would have considered anything other than Chrysler."

Volkswagen of America President Noel Phillips will assume Damoose's duties as VWoA vice president in charge of Audi until a replacement is found. The company said it was caught off guard by the announcement, and a search for a successor could take as long as two months.

However, there had been rumors about Damoose interviewing at Chrysler. "I think many of us expected something like this to happen," said an Audi employee who worked with him. "I think there was great frustration on his part that was insurmountable . . . frustration with the way the organization ran and frustration with Germany. We're an importer, and he wasn't used to working under that system."

Damoose, while acknowledging those differences, maintained that they had nothing to do with his decision to leave.

From his earliest days on the job, Damoose is said to have immersed himself in the crisis. He arrived in November, just before CBS aired its damaging report about the Audi 5000 on "60 Minutes," and he told dealers that combatting the sudden-acceleration issue would be his first priority.

Damoose later said that he was surprised at the seriousness of Audi's problems. And those troubles were compounded by a stagnant U.S. sales market, a falling dollar and an infusion of competition in Audi's price range.

A joint committee of dealers and Audi officials formulated a series of incentives and other programs to carry the franchise through the launch of some new products this fall. Damoose was able to sell the ideas to Volkswagen AG under the premise that serious problems required dramatic solutions.

Dealers credit Damoose with solving two immediate problems: regaining the confidence of Audi owners and trimming a huge inventory. A $5,000 rebate to Audi owners who chose to buy a new 5000 exceeded expectations and nearly wiped out inventories of the 1987 Audi 5000. That effort combined with factory incentives on the soon-to-be-replaced Audi 4000 left the company with an ideal 56-day supply of cars on Aug. 1.

In one sense, Damoose will be leaving at a natural break in the recovery process, the transition between the 1987 models and the eagerly anticipated Audi 80/90 series.

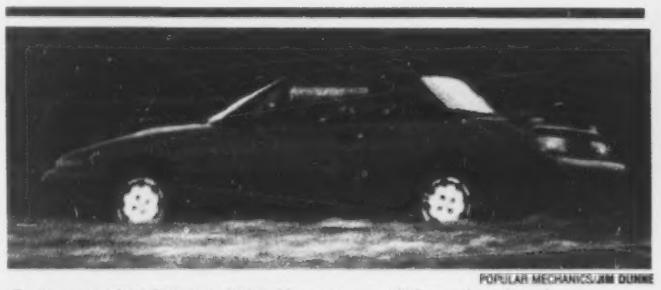
But to Fred Lavery, an Audi dealer in Birmingham, Mich., and a member of the dealer committee, the advances so far might prove to be the easiest.

"We've been very successful in achieving some major short-term sales gains, and that was obviously something that had to be done," Lavery said. "But in the long run, re-establishment of the franchise after digging it out from the problems that unintended acceleration caused is a process that really, from a strategic basis, is just now beginning. I think that until you've got through all those issues, the leadership issue is very important. Any change over the next 24 months, you could categorize as critical."

At Chrysler Canada, Damoose replaces Theodor R. Cunningham, who will become executive director, Dodge and Dodge truck marketing, for Chrysler Motors in Detroit. Damoose will work in Windsor, Ontario, beginning Sept. 1.

Damoose and Cunningham are part of a bigger personnel reorganization of Chrysler's sales and marketing department due in part to Chrysler's acquisition of American Motors on Aug. 5.

Joseph A. Campana, formerly vice president of marketing for Chrysler Motors, was appointed vice president of Chrysler-Plymouth marketing. Arthur C. "Bud" Liebler, previously general marketing manager — Chrysler, was named director of marketing services. Joseph E. Cappy, formerly president of American Motors, was appointed group vice president-Jeep-Eagle marketing. Jeep-Eagle encompasses the former AMC operations.


POPULAR MECHANICS/JIM DUNNE

Dealers said $11,000-$12,000 L-M sports car will be well equipped

# Next: Australian Capri

*Venerable badge for Mazda derivative*

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Lincoln-Mercury will likely revive the Capri nameplate for its new convertible sports car scheduled for introduction in 1988.

Dealer and advertising sources said L-M is expected to put the established badge on the 2+2 roadster to be built by Ford of Australia. The previous Mercury Capri, a companion to the Ford Mustang, was discontinued last year.

The new Capri is expected to more than fill the void left by its predecessor. Dealers see the car as a chance for L-M to broaden its appeal and attract some youthful buyers. And as a Mercury exclusive, it will not have to compete for an image or its share of production in the shadow of a Ford make.

Dealers said the car will be well equipped and will sell in the $11,000-$12,000 range. Among a handful of options will be be air conditioning, automatic transmission and a hardtop version.

The car will carry a 1.8-liter, four-cylinder engine with a naturally aspirated overhead cam. A turbocharged version also will be offered. L-M is thinking about offering a 2.3-liter engine sometime after the car's launch, dealers said.

Sources at Ford Motor Co. have said the car will be made at Ford of Australia's Broadmeadows factory with components from the Mazda 323, which is assembled and sold by Ford in Australia as the Laser. Ford's Ghia center in Turin, Italy, designed the car, and it was developed by Italdesign SpA.

The company expects to ship about 40,000 units annually to the United States.

The new Capri will give the Mercury brand a second product of its own: the Mercury Tracer, which replaced the Lynx earlier this year, is also exclusive to the division. Tracer also is based on the Mazda 323. The U.S. version of the Tracer is built in Hermosillo, Mexico. Company sources said some production of the new Capri could be shifted to Hermosillo if needed.

The Capri nameplate also was used on an imported German coupe sold by Mercury in the United States from 1970 to 1978.

# Mustang safe through 1991

By Al Fleming
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Ford Motor Co. has determined the fate of the Mustang.

The sporty rear-wheel-drive Mustang will continue to be produced through the 1991 model year, and Ford engineers have plunged into development of an air-bag system for the car.

The high investment cost of a new passive-restraint system was among the factors the company weighed in considering whether to keep or drop the nine-year-old Mustang platform and replace it with a Mazda product.

The Ford model that will be built by Mazda in Flat Rock, Mich., will be called the Ford Probe. The two-door model is expected to enter the market next spring.

Meanwhile, Ford product planners are studying the possibility of replacing the rwd Mustang with a next-generation Probe in the 1992 model year.

The 1992 Ford Probe, code-named ST-44, could have front-wheel drive. The company believes that by then, it will be able to produce a fwd muscle car in the tradition of Mustang, as a result of advancing technology and experience gained with fwd and four-wheel-drive systems.

According to Ford sources, the company received thousands of letters criticizing management for thinking of abandoning the popular V-8 model in favor of a less-powerful fwd version made at Mazda's new plant.

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## *Petersen has week-long ESPN date*

WASHINGTON — Ford Motor Co. Chairman Donald E. Petersen will appear every day this week on ESPN's early morning business news program, "Nation's Business Today." The Petersen interviews — on the program's "CEO Close-Up" segment — will focus on his management style and company goals.

SERVICE MANAGEMENT

# Computers speed U.S. effort to improve quality

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — To the service technician, who sees only the failures in technology, it might seem that cars have become more complicated, but hardly better. On the other hand, it can be argued that the quality of all automobiles has increased as a result of advances in technology.

At the recent Automotive News World Congress, J. David Power III, president of J.D. Power and Associates, a Westlake Village, Calif., consumer-research firm, said, "All manufacturers are making progress in quality and reliability. Some are moving faster than others, but all are moving in the right direction. They have to, or they will be left at the gate."

The common usage of computers in the design and manufacturing process may be one reason the domestic and European manufacturers are catching up to the quality and reliability of Asian manufacturers.

The most obvious advantage of computer-aided design and manufacturing processes is the increased speed at which projects can be developed. Such operations also result in a more precise rendition of the engineer's original idea and less chance of human error interrupting the design-to-manufacturing process.

Ed Lundberg, chief engineer, advanced engineering, General Motors Saginaw Division, said, "There is less potential to misinterpret the data from computer-aided design to manufacture."

In the automobile industry, it is quite common for prototypes to be machined directly from drawings or "models" that have been entered into a computer — the so-called computer-aided design to computer-aided manufacturing process.

Going a step farther, manufacturers are developing computer systems that will take an idea from computer-aided design and engineering beyond the prototype stage and onto the factory floor — computer-integrated manufacturing.

The computerized hardware used to design automobiles is commonly available, however manufacturers and suppliers compete to develop software programs that will give them an edge in developing products with higher quality.

GM has been particularly active in the development of computerized engineering aids. The company, in fact, has used computer-aided engineering tools to perform repetitive trial-and-error engineering calculations since 1965.

As a result of computerized design techniques, Larry Howell, head of engineering mechanics at the General Motors Research Laboratories, said, the quality and reliability of the entire industry should improve. But he added that it takes more than just having top-of-the-line computer hardware to develop the best cars.

"Products are more complex, and the design criteria requires developing a product that is light in weight, crashworthy and durable," Howell said. "That requires the use of more complex computer-aided design techniques to find an optimal design that meets all the requirements.

"We develop a lot of our own (computer-aided design and manufacturing) tools. We try to stay ahead of the state of the art," he said.

GM Research, for example, has developed a computer-aided design program that optimizes the structure of an automobile body.

Called ODYSSEY, the computer program allows an engineer to enter the design requirements for stress, deflection and packaging constraints of automobile body panels and structural members.

In essence, an engineer using the system will enter a design into the computer and the ODYSSEY program will alter the thickness of the body material and the cross sections of beams in the design to the optimum measurement.

GM Research is also working on a program that will alter the shape of a part in order to optimize the structure. It is also looking at the possibility of designing a program that will take into account the stress and tear levels acting on stamped sheet metal.

One of the first trials for ODYSSEY, Howell noted, was on the 1984 Corvette. Within the last year, he said, the program has become a tool that is commonly used on development projects.

GM is also working on a "factory of the future" project that will use computerized equipment throughout the design-to-manufacturing process.

Saginaw Division's Vanguard project will produce front-wheel-drive axles beginning in December.

Chris Dulski, superintendent of manufacturing engineering, Saginaw Vanguard factory of the future project, said product and manufacturing people started working on the project at the same time.

Computer-aided design and manufacturing, he said, have been a great help in spurring the simultaneous engineering of products and the manufacturing processes to build them.

In the Vanguard project, product and manufacturing engineers sat at a terminal together and "described" a solid model of the product.

Computerized "models" of the product were developed for each step of the manufacturing process and the computer was used to develop the operations that will be used in the manufacturing process.

Dulski predicted that many of the developments in Vanguard will spread throughout GM.

# Rustproofing hurt by long warranties

Slow car sales, coupled with long corrosion warranties by the automakers, are causing a serious lag in the rustproofing business, both at new-car dealerships and in the aftermarket.

Vic Shanley, president of Corrosion Consultants, Redford, Mich., a supplier of rustproofing chemicals and auto reconditioning chemicals, said aftermarket rustproofing applications are off 25 percent to 40 percent.

" 'Fast-track' auto dealers are still selling rustproofing successfully, but market penetration at many auto dealerships is down," Shanley said. He estimated that

SHOP TALK

ARTHUR FLAX

rustproofing sales at auto dealerships that do not aggressively push the treatments have fallen from 80 percent to 90 percent penetration on new-car sales to 50 percent to 60 percent.

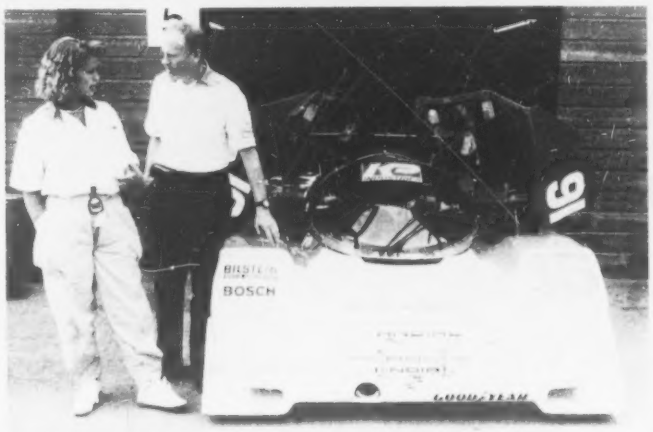
Aftermarket rustproofers also are suffering from the new-car corrosion warranties. Before the longer warranties, many new-car buyers had their cars rustproofed by aftermarket applicators, he said. However, Shanley said, used-car buyers often take advantage of aftermarket rustproofing.

He said he doesn't believe the rustproofing business will decline further and, in fact, predicts the market will eventually pick up.

But, he added, "I see the rustproofing industry changing dramatically. It's time to get innovative."

Shanley said he is making up for the market lag by selling chemicals to companies that provide rustproofing for car importers at the port. He also is finding that certain name-brand rust treatments have declined in popularity in some areas, opening a market for the sale of less expensive generic rustproofing chemicals to regional distributors.

In addition to chemicals, Shanley is marketing Rust Evader, an electronic device that is said to prevent rust. The device, which can be transferred from car to car, is said to prevent corrosion on outside painted surfaces that pick up stone chips and cracks. Traditional rustproofing treatments don't affect outside surfaces.




McQuade discusses Porsche 962 race car with driver Rob Dyson

## A first for Porsche

Jennifer McQuade, service manager for Bigelow Motorcars, a Porsche dealership in Mansfield, Ohio, is the first woman to win Porsche Cars North America's Honorary Pit Crew competition.

The contest is held on a regional basis and was designed by the North American Porsche distributor and importer to recognize people who are essential to customer service. The competition requires contestants to answer 26 tough product-knowledge questions designed to stump all but the best service personnel.

As winner of the Midwest regional contest, McQuade joined the Porsche 962 pit crew of Dyson Racing during a recent race at the Mid-Ohio road racing course.

McQuade joined Bigelow Motorcars in 1984 to handle warranties. At Bigelow Motorcars, McQuade heads a team of 10 mechanics and customer service personnel.

## Jaguar road aid

Jaguar is offering a roadside assistance plan for its 1988 models.

The Jaguar Service-On-Site plan includes a toll-free number for emergency calls and nationwide emergency vehicle service. Under the plan, Jaguar will provide roadside service for mechanical problems and other situations that disable a car.

## Big month for Ford

Ford sold more extended service plans in June than in any other single month during the 10 years it has offered the program.

Ford and Lincoln-Mercury dealers sold more than 130,000 contracts in June, according to Terry Emrick, Ford ESP manager.

Sales of Ford extended service plan contracts this year are 22 percent ahead of the last year's, Emrick said.

# Dealership service volume shows 6% pickup for June

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

The Automotive News Service Index bounced back in June following a slight decline in May.

Service and parts business at new-car dealerships rose 5.9 percent over the June 1986 figure.

In May, service and parts business was down 0.7 percent compared with May 1986.

Shop business during the first six months of 1987 was up 3.3 percent over the same period in 1986.

Dealers attributed the increased business to the return of new cars for service, innovative advertising and extremely hot summer weather.

All indicators, with the exception of repair orders written, showed gains in June. Repair orders, which were down 1.4 percent from last year, often lag slightly behind the other indicators. Gross profit on all labor, parts and accessories sales registered the biggest gain in June, up 11.5 percent over June 1986.

Total labor sales (customer paid and warranty) climbed 8.1 percent; shop-parts sales (customer paid and warranty) were up 7.1 percent; and sales of all parts and accessories rose 4.4 percent.

Parts and accessories sales to off-premises customers climbed 2.4 percent in June.

Gross profit on all labor parts and accessory sales also showed the biggest gain through the first six months of 1987, up 5.9 percent.

Total labor sales climbed 5.5 percent; sales of all parts and accessories increased 5.4 percent; and shop-parts sales were up 3.5 percent. Repair orders written fell 3.6 percent in the six-month period.

Parts and accessories sales to off-premises customers were up 6.9 percent through June.

**SERVICE INDEX**
**105.9★**

| | June, '87 vs. June, '86 | 6 mos., '87 vs. 6 mos., '86 |
|---|---|---|
| Gross Profit on All Labor and P&A Sales | +11.5% | +5.9% |
| Repair Orders Written | −1.4% | −3.6% |
| Total Labor Sales (Customer & Warranty) | +8.1% | +5.5% |
| Shop Parts Sales (Customer & Warranty) | + 7.1% | +3.5% |
| Sales of All P&A | + 4.4% | +5.4% |

★— Survey by Automotive News shows that dealers' service and parts business in June 1987 was 105.9 percent of business in June 1986. Service business in the first 6 months of 1987 was 103.3 percent of business in the corresponding period in 1986.

# Alfa offers training to boost CSI

NEW YORK — Alfa Romeo has expanded its training courses in an effort to obtain a better customer satisfaction index rating.

Thomas F.X. Tooley, service manager for the importer, said the new series of courses is open to all dealership employees who work with the public. It is not restricted to the service department, though that division is conducting the seminars.

The goal, Tooley said, is to train dealership employees to "fix the customer before you fix the car." In other words, employees must smooth the ruffled feathers of the customer before they can attempt to repair the vehicle.

The Alfa courses rely heavily on role playing and videotaping students in various situations that might occur on the job. The "instant replay" is used to critique each student.

The training courses are offered free of charge to the dealers, Tooley said, because they are "so damn important."

Q & A

# CAPLINGER & PAYTON

Continued from page E6

tected themselves.

**Caplinger:** Right, they're all going to the option concept where you get, let's say, a luxury package with electric windows, seats and door locks. Maybe you would like a car with just electric windows and door locks, but not electric seats. But when you price it out, if you don't go with the luxury option package, you wind up paying more for the car without the option than you do with it. That keeps dealers from being able to sell people items that enable us to make money.

■ **What do car buyers think about option packages? Do they like them?**

**Caplinger:** Most of them don't even know about them. They don't know the difference. Most customers look at the car and want to know, has it got electric seats? Yeah. Has it got power door locks? Yeah. OK, I'll take it.

**Payton:** Take the case of radios. What the manufacturers do is put on an item that dealers can't add, like the tilt steering wheel, and combine that with a radio. Maybe we could sell the customer a better radio at about the same price, and we could make more money. But we're not able to do that because we need the tilt steering wheel and we can't install it at the dealership, so we've got to buy their radio with their tilt steering wheel — strictly their combination.

So, the manufacturers have become very good at marketing options, and it's one of the areas where they're making good money.

■ **What about safety options? Any profit potential there?**

**Payton:** Safety items don't make anybody any profit. Any safety item they put on a car, I don't care, people just say no thanks — they will not pay for them.

■ **How do you feel about the trend toward computers for use in dealer-factory communications?**

**Caplinger:** There's something close to my heart. General Motors came along and had us all buy some kind of communication system to tie in directly on everything — sales, service, bookkeeping. Now they come along with CAMS (computerized automotive maintenance system), a machine for the service area that's going to cost the dealer $20,000 or better. They're trying to push them on dealers as fast as they can, and it represents a dealer investment that's not going to pay off soon.

Then there's EDS (GM's Electronic Data Systems). Dealers want to know if the equipment they have in their dealerships will be compatible with what EDS is coming out with, and we're told it is. But the point is, the factory divisions are going to their dealers and saying, "Buy, buy, buy." And as long as the manufacturers control distribution, the dealers pretty well do what they're asked to do. ■

**Total dollar sales for the average franchised dealership have more than doubled over the past five years. The new-vehicle department, because of record new-unit sales, has shown the largest dollar increases, but dealers have also had increases in used-vehicle and service and parts operations.**

**In addition to having increases in dollar sales, all dealership departments had increases in the actual unit volume of work performed. As compared to 1985, the average dealership had a 3-percent increase in new-unit sales in 1986. Used-unit sales increased 1 percent, and the total number of repair orders increased by 3 percent.**

**In 1986, gross as a percent of sales decreased slightly, but remained above the low levels experienced in 1982-1984. Nevertheless, the long-term trend (over the past 30 years) has been for dealerships to become increasingly large businesses that operate on increasingly thin margins, the NADA says.**

## Total Dollar Sales, Average Dealership

(In Millions of Dollars)

Source: NADA Industry Analysis Division

## Average Dealership Profile

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | % Change 1985-'86 |
|---|---|---|---|---|---|---|---|---|
| Total dealership sales ($) | 4,757,557 | 5,524,971 | 6,136,755 | 7,706,694 | 9,330,045 | 10,481,683 | 11,269,652 | 7.52 |
| Total dealership gross ($) | 731,237 | 817,143 | 851,782 | 1,058,129 | 1,258,623 | 1,497,832 | 1,599,164 | 6.77 |
| As % of total sales | 15.37 | 14.79 | 13.88 | 13.73 | 13.49 | 14.29 | 14.19 | |
| Total dealership expense ($) | 702,215 | 753,054 | 772,004 | 893,206 | 1,055,228 | 1,267,235 | 1,355,739 | 6.98 |
| As % of total sales | 14.76 | 13.63 | 12.58 | 11.59 | 11.31 | 12.09 | 12.03 | |
| Net profit before taxes ($) | 29,021 | 64,090 | 79,778 | 164,923 | 203,395 | 230,597 | 243,424 | 5.56 |
| As % of total sales | 0.61 | 1.16 | 1.30 | 2.14 | 2.18 | 2.20 | 2.16 | |
| Net pre-tax profit in constant '67 dollars | 11,758 | 23,531 | 27,593 | 55,265 | 65,379 | 71,570 | 74,124 | 3.57 |
| New vehicle dept. sales ($) | 2,930,655 | 3,375,757 | 3,767,967 | 4,886,044 | 6,101,850 | 7,075,136 | 7,584,476 | 7.20 |
| As % of total sales | 61.60 | 61.10 | 61.40 | 63.40 | 65.40 | 67.50 | 67.30 | |
| Used vehicle dept. sales ($) | 999,087 | 1,265,218 | 1,399,180 | 1,734,006 | 1,987,300 | 2,054,410 | 2,242,661 | 9.16 |
| As % of total sales | 21.00 | 22.90 | 22.80 | 22.50 | 21.30 | 19.60 | 19.90 | |
| Service and parts sales ($) | 827,815 | 883,995 | 969,607 | 1,086,644 | 1,240,896 | 1,352,137 | 1,442,515 | 6.68 |
| As % of total sales | 17.40 | 16.00 | 15.80 | 14.10 | 13.30 | 12.90 | 12.80 | |
| New vehicles average selling price ($) | 7,530 | 8,850 | 9,910 | 10,725 | 11,100 | 11,925 | 12,850 | 7.76 |
| Average net worth ($) (as of 12/31) | 378,786 | 385,015 | 421,480 | 556,440 | 569,600 | 653,064 | 646,566 | -0.99 |
| Net profit as % of net worth | 7.66 | 16.65 | 18.83 | 29.64 | 35.71 | 35.31 | 37.65 | |

Source: NADA Industry Analysis Division

**The total dollar sales of all franchised new-car dealerships reached a record $283.2 billion in 1986, the NADA reports. That's up 8.8 percent from 1985.**

**Although the dollar sales increase was led by the recovery in new-vehicle sales, the average dealership also had significant gains in both used-vehicle and service and parts sales, according to the NADA.**

**The chart at right illustrates just how much the typical franchised new-car dealership is increasingly becoming a large business entity. In 24 states and the District of Columbia, the average franchised dealership had sales in excess of $10 million. In only four states were average sales in 1986 below $5 million.**

**The strong rise in new-car sales over the past four years naturally has resulted in a large increase in the number of new cars sold per dealer. In 1986, the average dealer sold 456 new cars — the highest level of sales ever. By comparison, the average dealer sold 346 new cars 10 years ago, according to NADA statistics.**

## 1986 Total Sales by State

| State | All dealers ($ Millions) | Average per dealer ($ Thousands) | State | All dealers ($ Millions) | Average per dealer ($ Thousands) |
|---|---|---|---|---|---|
| Alabama | 4,448 | 11,768 | Montana | 789 | 4,153 |
| Alaska | 395 | 10,382 | Nebraska | 1,560 | 5,475 |
| Arizona | 4,266 | 19,842 | Nevada | 1,448 | 20,115 |
| Arkansas | 2,184 | 8,084 | New Hampshire | 1,547 | 8,141 |
| California | 31,848 | 17,114 | New Jersey | 11,135 | 14,556 |
| Colorado | 3,863 | 13,795 | New Mexico | 1,447 | 9,643 |
| Connecticut | 5,018 | 13,102 | New York | 16,118 | 11,272 |
| Delaware | 889 | 12,341 | North Carolina | 7,699 | 10,433 |
| D.C. | 140 | 14,024 | North Dakota | 842 | 4,812 |
| Florida | 17,341 | 20,024 | Ohio | 13,316 | 11,509 |
| Georgia | 8,526 | 13,302 | Oklahoma | 4,264 | 9,803 |
| Hawaii | 777 | 15,532 | Oregon | 2,970 | 9,251 |
| Idaho | 896 | 5,780 | Pennsylvania | 13,161 | 8,251 |
| Illinois | 13,580 | 10,803 | Rhode Island | 1,159 | 12,596 |
| Indiana | 6,507 | 9,336 | South Carolina | 3,341 | 9,943 |
| Iowa | 2,859 | 4,887 | South Dakota | 748 | 4,532 |
| Kansas | 2,714 | 6,540 | Tennessee | 5,798 | 12,523 |
| Kentucky | 3,364 | 9,092 | Texas | 18,915 | 12,244 |
| Louisiana | 3,697 | 9,290 | Utah | 1,541 | 9,818 |
| Maine | 1,449 | 7,102 | Vermont | 698 | 6,229 |
| Maryland | 6,279 | 16,700 | Virginia | 8,077 | 12,821 |
| Massachusetts | 8,116 | 13,527 | Washington | 4,231 | 10,933 |
| Michigan | 12,365 | 13,816 | West Virginia | 1,863 | 6,848 |
| Minnesota | 4,879 | 8,269 | Wisconsin | 5,342 | 6,893 |
| Mississippi | 2,178 | 6,848 | Wyoming | 487 | 5,409 |
| Missouri | 6,076 | 9,960 | **Total U.S.** | **283,150** | **11,270** |

Source: NADA Industry Analysis Division

# AUCTION DATES

## American Motors

Aug. 18 — Statesville Auto Auction, Statesville, N.C., and Aptco Auto Auction, Taylor, Mich.

Aug. 19 — Columbus Auto Auction, Columbus, Ohio; Kansas City Auto Auction, Kansas City, Mo.; and North East Auto Dealers, Newburg, N.Y.

Aug. 20 — Corry Auto Auction, Corry, Pa., and Wolfe's Evansville Auto Auction, Evansville, Ind.

Aug. 25 — D-A Auto Auction, New Stanton, Pa.

Aug. 26 — Minneapolis Auto Auction, Plymouth, Minn., and Metro Milwaukee Auto Auction, Caledonia, Wis.

Aug. 27 — Greater Chicago Auto Auction, Chicago; Todd Auto Auction, Telford, Pa.; and Wolfe's Evansville Auto Auction, Evansville, Ind.

Aug. 28 — St. Louis Auto Auction, St. Louis

**Used Car Sales**
**Auction Averages**

| | |
|---|---|
| August to date | $6,052 |
| Month ago | $5,910 |
| Year ago | $5,205 |

## Chrysler Corp.

Aug. 18 — Hatfield Auto Auction, Hatfield, Pa.; American Auto Auction, Walpole, Mass.; Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Golden Gate Auto Auction, Fremont, Calif.

Aug. 19 — Butler Auto Auction, Gibsonia, Pa.; Minneapolis Auto Auction, Plymouth, Minn.; and Southwest Auto Auction, Phoenix, Ariz.

Aug. 20 — Northway Exchange, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; and Indianapolis Auto Auction, Indianapolis

Aug. 25 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; Hatfield Auto Auction, Hatfield, Pa.; and Dallas Auto Auction, Grand Prairie, Texas

Aug. 26 — Southern Auto Auction, Warehouse Point, Conn.; A.D.E. of Albama, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, Ohio; and South Seattle Auto Auction, Kent, Wash.

Aug. 27 — Fredericksburg Auto Auction, Fredericksburg, Va.

## Ford Motor Co.

Aug. 19 — Concord Auto Auction, Acton, Mass.

Aug. 20 — Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Bay Cities Auto Auction, Hayward, Calif.; and 166 Auto Auction, Springfield, Mo.

Aug. 25 — South Seattle Auto Auction, Kent, Wash.

Aug. 26 — Columbus Fair Auto Auction, Obetz, Ohio; Lakeland Auto Auction, Lakeland, Fla.; Southern California Auto Auction, Fontana, Calif.; and Salt Lake Auto Auction, Salt Lake City

Aug. 27 — Arena Auto Auction, Chicago; Skyline Auto Exchange, Fairfield, N.J.; and St. Louis Auto Auction, Bridgeton, Mo.

## General Motors

Aug. 11 — Florida Auto Auction of Orlando, Ocoee, Fla.

Aug. 12 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Aug. 13 — Butler Auto Auction, Gibsonia, Pa.; Denver Auto Auction, Englewood, Colo.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; and Nashville Auto Auction, Nashville, Tenn.

Aug. 18 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

Aug. 19 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

Aug. 20 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

Aug. 25 — Harrisonburg Auto Auction, Harrisonburg, Va.

Aug. 26 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

**Model Breakdown**
**Auction Averages**

| | AUG 1987 | JUL 1987 | JUN 1987 |
|---|---|---|---|
| 1987 .... | $11,761 | $11,512 | $11,113 |
| 1986 .... | $8,959 | $9,032 | $9,187 |
| 1985 .... | $7,389 | $7,394 | $7,191 |
| 1984 .... | $5,760 | $5,756 | $5,727 |
| 1983 .... | $5,051 | $5,081 | $4,852 |
| 1982 .... | $3,668 | $3,684 | $3,687 |
| 1981 .... | $2,640 | $2,642 | $2,680 |
| 1980 .... | $2,066 | $2,068 | $2,134 |
| Overall Average | $6,052 | $6,030 | $5,900 |

**Denver auction to open**

AURORA, Colo. — The new Denver Auto Auction will open Wednesday. Plans for the new $10 million facility were announced by GE Credit Auto Auctions when it purchased Colorado's oldest auto auction in December 1985.

# AUCTION DIRECTORY

**TEXAS**

**Fort Worth Auto Auction**, 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

**TEXAS**

**Auctions Unlimited**, 2260 East I-30, Rockwall, Texas 75087. Dallas-Ft. Worth area. Sales every Monday & Wednesday 7 PM. 214-722-9495.

**WASHINGTON**

**So. Seattle Auto Auction.** The lease & Fleet Specialists. Tom Chasc, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

**WISCONSIN**

**Metro Milwaukee Auto Auction.** Sale every Wednesday. FMC, all leasing, AMC. 414-835-4436, Caledonia, Wisconsin.

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# Car, truck sales dip in Canada

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

A downturn in demand for General Motors cars and trucks contributed to a sharp decline in domestic sales in Canada last month.

Sales of North American-built cars dropped 22.05 percent compared to July 1986. Domestic truck sales fell 8.86 percent.

Canadian dealers delivered 53,158 domestic new cars in July compared to 68,198 in July 1986. They also delivered 29,982 domestic trucks compared to 32,898 a year ago.

Five of the six domestic manufacturers reported lower car sales in July than a year ago. Honda, Canada's sixth automaker, began producing cars in its Alliston, Ontario, plant in November 1986 and began importing its Acura cars in March, so its sales last month were up.

GM was the biggest loser in car sales. Its dealers delivered 25,847 domestic cars, 33.60 percent below the 38,929 it sold in July 1986. A GM of Canada spokesman attributed the sharp drop to 16 selling days on which no rebates or financing incentives were offered by GM dealers in Canada. GM ended its low-financing and consumer cash program on June 30 and reinstated it on July 20.

The present program offers consumers $750 or financing ranging from 3.9 percent for 24 months to 9.9 percent for 60 months on selected models. GM is offering only the cash rebate in Ontario because of a provincial law that prohibits offering both.

Ford also showed a drop in car sales. Ford dealers in Canada sold 13,109 domestic cars in July, a 13.45 percent drop from the 15,146 sold a year ago. Ford continued to offer $750 cash rebates and low financing ranging from 3.9 percent to 9.9 percent on selected models — only the rebates are offered in Ontario. Tempo outsold all other Ford and Lincoln-Mercury nameplates in July with 3,071 deliveries.

Chrysler Motors' car sales continued to be affected by a shortage of Omni and Horizon Expo models (called America in the United States). Those cars are temporarily out of production.

Chrysler dealers in Canada sold 11,884 domestic cars in July, a 10.51-percent drop from the 13,280 sold a year ago. The company sweetened its rebate program in July and offered consumers $500 to $1,500. The rebates ranged from $500 to $1,000 in June.

Honda sold 1,685 Canadian-built cars — all Accords — in July. Honda was not building cars in Canada a year ago.

In addition, Honda sold 4,538 Japanese-built Honda models, a 33.84-percent drop from the 6,859 sold a year ago. Honda also sold 732 Japanese-built Acura models. Acura also has no year-ago comparison.

Accord was the best selling nameplate in Canada in July with a total of 3,136 domestic and imported cars.

American Motors sold 365 domestic Renault cars and 27 AMC Eagles in July compared to 567 domestic Renaults and 32 Eagles a year ago. AMC also offered cash incentives to dealers depending on the number of vehicles sold and in stock.

Volvo sold 241 Canadian-produced cars, down 1.23 percent from the 244 units sold in July 1986. A Volvo spokesman said the company's sales are suffering from low availability of certain models in Canada.

In truck sales, GM was also the biggest loser. GM sold 11,865 domestic trucks in July, down 29.58 percent down from the 16,850 it sold in July 1986. GM offered $750 cash and financing incentives on its Chevrolet S-series four-wheel-drive pickup trucks and compact 4wd sport-utility vehicles. GM buyers in Ontario are being offered only the cash incentive.

Canada's other domestic truckmakers showed sales gains in July. Ford sold 10,501 domestic trucks, up 10.18 percent from 9,531 last year. Ford's July truck sales were the highest for any July since 1979 when it sold 10,916. Ford offered truck buyers a choice between cut-rate loans or a $750 rebate on Ranger models equipped with manual transmission. Only the rebate is offered in Ontario.

Chrysler sold 5,988 domestically produced trucks, up 14.23 percent from the 5,242 trucks it sold in July 1986. The July truck sales total, including Mitsubishi trucks, was 6,384 and was an all-time sales record for that month. The previous record was set in July 1986 when 5,587 domestic and imported trucks were sold.

AMC Jeep sales totaled 1,628, up 27.69 percent over the 1,275 sold in July 1986. It was the highest July total in AMC history.

In addition to North American-built cars, GM in July sold 999 Suzuki-built Chevrolet Sprints, 898 Suzuki-built Pontiac Fireflys, 118 Isuzu-built Chevrolet Spectrums, 48 Isuzu-built Pontiac Sunbursts and four Isuzu I-Marks.

Ford sold 784 Mercury Tracers, 42 Merkur Scorpios and 33 Merkur XR4Ti models. The Tracer is built in Taiwan; the Scorpio and XR4Ti are built in West Germany.

Chrysler sold 1,087 Mitsubishi cars and 15 Peugeot cars. As mentioned above, Honda sold 4,538 Japanese-built Honda models and 732 Japanese-built Acura models.

Volvo sold 453 Swedish-built Volvo models in July, and AMC sold 233 imported Renaults.

In the imported-truck category, GM sold 11 Isuzu Trooper models, and Chrysler sold 396 Mitsubishi trucks.

## CANADIAN SALES OF NORTH AMERICAN-BUILT VEHICLES

| | July 1987 | July 1986 | Pct. Change | 7 mos., 1987 | 7 mos., 1986 | Pct. Change |
|---|---|---|---|---|---|---|
| **AMC** | | | | | | |
| Cars | 392 | 599 | +34.56 | 2,906 | 5,526 | −47.41 |
| Jeeps | 1,628 | 1,275 | +27.69 | 12,141 | 8,388 | +44.74 |
| **CHRYSLER** | | | | | | |
| Cars | 11,884 | 13,280 | −10.51 | 94,952 | 100,058 | − 5.10 |
| Trucks | 5,988 | 5,242 | +14.23 | 46,434 | 37,005 | +25.48 |
| **GM** | | | | | | |
| Cars | 25,847 | 38,929 | −33.60 | 219,725 | 255,649 | −14.05 |
| Trucks | 11,865 | 16,850 | −29.58 | 95,310 | 95,731 | − .04 |
| **FORD** | | | | | | |
| Cars | 13,109 | 15,146 | −13.45 | 118,768 | 119,416 | − .05 |
| Trucks | 10,501 | 9,531 | +10.18 | 84,781 | 75,956 | −11.62 |
| **VOLVO** | | | | | | |
| Cars | 241 | 244 | − 1.23 | 1,433 | 1,646 | −12.94 |
| **HONDA** | 1,685 | — | — | 5,844 | — | — |
| **TOTAL CAR** | 53,158 | 68,198 | −22.05 | 443,628 | 482,295 | − 8.02 |
| **TOTAL TRUCK** | 29,982 | 32,898 | − 8.86 | 238,666 | 217,080 | + 9.04 |

## CANADA MARKET SHARES
### July 1987

**Cars**

| | |
|---|---|
| General Motors | 48.62% |
| Ford Motor Co. | 24.66% |
| Chrysler Motors | 22.36% |
| American Motors | .74% |
| Volvo | .45% |
| Honda | 3.17% |

**Trucks**

| | |
|---|---|
| General Motors | 39.57% |
| Ford Motor Co. | 35.03% |
| Chrysler Motors | 19.97% |
| Jeep | 5.43% |

AUTOMOTIVE NEWS/JOE WILSSENS

**Boxcar classroom**
A renovated railroad boxcar obtained by General Motors is transported by truck to the UAW-GM Health & Safety Center in Madison Heights, Mich. The boxcar will be used to show employees how to use forklifts to load railroad cars at GM plants.

## IMPORT SALES BY MODEL

| | July 1987 | July 1986 | 7 Mos. 1987 | 7 Mos. 1986 |
|---|---|---|---|---|
| ACURA | 9,667 | 4,456 | 58,838 | 17,405 |
| Integra | 4,768 | 2,494 | 33,149 | 9,963 |
| Legend | 4,899 | 1,962 | 26,689 | 7,442 |
| ALFA ROMEO | 630 | 1,005 | 4,062 | 3,871 |
| AUDI | 4,562 | 4,606 | 28,449 | 36,909 |
| 4000S | 2,891 | 1,140 | 6,279 | 8,125 |
| 4000CS Quattro | 575 | 291 | 1,695 | 2,288 |
| 5000S | 375 | 2,282 | 14,787 | 19,126 |
| 5000CS Turbo | 133 | 425 | 2,887 | 3,655 |
| 5000CS Turbo Quattro | 241 | 243 | 2,795 | 1,863 |
| Coupe GT | 347 | 225 | 1,003 | 1,852 |
| BMW | 7,871 | 8,648 | 50,858 | 54,650 |
| 318i | 0 | 25 | 15 | 855 |
| 524 TD | 1 | 236 | 27 | 1,536 |
| 325 | 4,941 | 4,899 | 33,545 | 33,840 |
| 528e | 832 | 1,723 | 5,729 | 7,630 |
| 535i/535iS | 654 | 983 | 4,273 | 5,254 |
| 6-Series | 150 | 232 | 1,149 | 1,662 |
| 7-Series | 1,016 | 550 | 5,280 | 3,873 |
| M3 | 187 | 0 | 261 | 0 |
| M5 | 29 | 0 | 174 | 0 |
| M6 | 61 | 0 | 405 | 0 |
| CHEVROLET | 12,326 | 12,306 | 72,488 | 91,720 |
| Spectrum | 7,924 | 7,112 | 44,204 | 50,809 |
| Sprint | 4,402 | 5,194 | 28,284 | 40,911 |
| CHRYSLER/MITSUBISHI | 12,946 | 11,345 | 73,585 | 75,740 |
| Colt | 8,613 | 7,901 | 47,455 | 52,788 |
| Conquest | 1,036 | 487 | 7,696 | 3,297 |
| Vista | 3,297 | 2,957 | 18,434 | 19,655 |
| FORD Festiva | 2,412 | 0 | 5,357 | 0 |
| HONDA | 27,342 | 32,434 | 159,399 | 233,494 |
| Civic/CRX | 13,296 | 17,508 | 72,190 | 132,447 |
| Accord | 9,394 | 7,533 | 53,572 | 57,875 |
| Prelude | 4,652 | 7,393 | 33,637 | 43,172 |
| HYUNDAI | 30,472 | 19,690 | 157,528 | 72,086 |
| ISUZU | 5,154 | 2,082 | 21,305 | 18,285 |
| I-Mark | 4,675 | 1,339 | 17,080 | 10,496 |
| Impulse | 479 | 743 | 4,225 | 7,789 |
| JAGUAR | 2,040 | 2,143 | 12,064 | 13,649 |
| XJ6 | 1,514 | 1,721 | 9,236 | 10,918 |
| XJS | 526 | 422 | 2,828 | 2,731 |
| MASERATI | 60 | 80 | 420 | 928 |
| MAZDA | 20,036 | 16,607 | 109,609 | 120,113 |
| 323 | 7,785 | 5,693 | 39,635 | 39,903 |
| 626 | 8,768 | 6,434 | 47,470 | 51,013 |
| RX-7 | 3,483 | 4,480 | 22,504 | 29,197 |
| MERCEDES BENZ* | 7,109 | 6,789 | 52,520 | 50,998 |
| 190 | 1,458 | 1,293 | 10,904 | 11,878 |
| 260E | 500 | 0 | 3,301 | 0 |
| 300 | 1,869 | 2,140 | 13,822 | 13,152 |
| 300SDL Turbo | 586 | 407 | 4,206 | 2,177 |
| 420SEL | 1,168 | 1,024 | 8,043 | 9,035 |
| 560SEL | 428 | 649 | 3,606 | 5,316 |
| 560SL | 875 | 842 | 6,889 | 6,623 |
| 560SEC | 124 | 135 | 1,040 | 1,388 |
| MERKUR | 1,922 | 1,506 | 7,055 | 9,179 |
| XR4Ti | 817 | 1,506 | 4,825 | 9,179 |
| Scorpio | 1,105 | 0 | 2,230 | 0 |
| MITSUBISHI | 6,984 | 3,434 | 41,131 | 27,197 |
| Starion | 499 | 332 | 3,462 | 3,302 |
| Cordia | 320 | 355 | 2,488 | 2,971 |
| Tredia | 655 | 785 | 3,178 | 5,549 |
| Mirage | 1,388 | 1,013 | 9,857 | 7,160 |
| Galant | 748 | 949 | 6,688 | 8,215 |
| Precis | 2,668 | 0 | 11,111 | 0 |
| Van/Wagon | 706 | 0 | 4,347 | 0 |
| NISSAN | 38,583 | 50,580 | 249,867 | 288,892 |
| Sentra | 10,418 | 20,981 | 70,096 | 94,164 |
| Pulsar | 5,684 | 3,649 | 39,032 | 28,263 |
| Stanza | 5,529 | 7,921 | 38,185 | 35,719 |
| Maxima | 7,995 | 10,184 | 53,216 | 66,876 |
| 200SX | 2,641 | 3,682 | 20,804 | 28,793 |
| 300ZX | 2,358 | 4,045 | 22,810 | 32,374 |
| Hawaii | 3,958 | 118 | 5,724 | 2,703 |
| PEUGEOT | 853 | 1,178 | 5,293 | 7,770 |
| PONTIAC LeMans | 5,849 | 0 | 9,303 | 0 |
| PORSCHE | 2,052 | 2,979 | 14,876 | 17,705 |
| 924S | 252 | 542 | 1,739 | 1,246 |
| 944 | 625 | 722 | 3,807 | 6,348 |
| 944S | 125 | 0 | 1,473 | 0 |
| 944 Turbo | 204 | 822 | 1,587 | 4,096 |
| 911 Coupe | 370 | 362 | 2,626 | 2,530 |
| 911 Turbo | 159 | 134 | 930 | 888 |
| 911 Cabriolet | 159 | 198 | 1,492 | 1,153 |
| 928S | 158 | 199 | 1,222 | 1,444 |
| RENAULT | 1,368 | 244 | 6,938 | 2,288 |
| 18i | 0 | 189 | 0 | 1,189 |
| Fuego | 0 | 56 | 0 | 1,099 |
| Medallion | 1,368 | 0 | 6,938 | 0 |
| SAAB* | 4,754 | 4,999 | 26,841 | 28,979 |
| 900 | 1,015 | 1,471 | 5,665 | 8,846 |
| 900S | 1,555 | 1,662 | 8,650 | 8,834 |
| 900 Turbo | 974 | 811 | 5,238 | 4,864 |
| 9000S | 438 | 0 | 2,065 | 0 |
| 9000 Turbo | 662 | 946 | 4,669 | 5,933 |
| STERLING | 1,510 | 0 | 7,891 | 0 |
| SUBARU | 14,436 | 15,568 | 91,350 | 107,031 |
| Hatchback | 593 | 1,644 | 4,186 | 10,350 |
| 3-Door | 1,260 | 1,187 | 7,792 | 6,019 |
| 4-Door Sedan | 3,642 | 3,958 | 23,081 | 32,022 |
| XT | 1,649 | 2,034 | 11,501 | 14,737 |
| Station Wagon | 6,426 | 6,745 | 39,931 | 43,903 |
| Justy | 866 | 0 | 5,459 | 0 |
| TOYOTA | 53,345 | 75,226 | 296,153 | 353,074 |
| Corolla | 9,452 | 19,336 | 54,307 | 83,852 |
| Tercel | 10,509 | 8,569 | 51,373 | 43,129 |
| Celica | 7,735 | 12,115 | 43,944 | 63,860 |
| Supra | 2,733 | 4,538 | 16,908 | 17,709 |
| Camry | 17,854 | 18,155 | 93,143 | 83,166 |
| Cressida | 1,690 | 5,733 | 12,119 | 22,854 |
| Land Cruiser | 405 | 439 | 2,331 | 2,218 |
| Van | 1,144 | 2,381 | 8,289 | 11,338 |
| 4Runner SR 5 | 175 | 459 | 910 | 3,739 |
| MR2 | 1,274 | 3,092 | 9,914 | 17,511 |
| Hawaii | 374 | 409 | 2,915 | 3,698 |
| VOLKSWAGEN | 14,278 | 12,547 | 77,133 | 90,123 |
| Cabriolet | 1,517 | 1,233 | 9,395 | 9,289 |
| Jetta | 6,413 | 8,114 | 35,408 | 59,995 |
| Vanagon | 844 | 1,154 | 5,824 | 7,502 |
| Quantum | 586 | 1,083 | 3,704 | 6,495 |
| Scirocco | 631 | 963 | 4,362 | 6,842 |
| Fox | 4,287 | 0 | 18,440 | 0 |
| VOLVO* | 8,907 | 11,470 | 70,871 | 74,893 |
| 240 Series | 4,131 | 5,693 | 34,594 | 36,475 |
| 740 Series | 3,575 | 4,706 | 27,422 | 30,264 |
| 760 Series | 1,113 | 1,013 | 7,567 | 6,577 |
| 780 | 97 | 0 | 132 | 0 |
| YUGO | 4,038 | 3,020 | 31,072 | 14,860 |
| IMPORT TOTAL | 301,506 | 304,942 | 1,744,846 | 1,811,839 |

*Total includes tourist deliveries.

Compiled by Karen Dellowyd

## DOMESTIC DAYS' SUPPLIES

| | Aug. 1, 1987 | July 1, 1987 | Aug. 1, 1986 |
|---|---|---|---|
| Alliance | 147 | 151 | 150 |
| Encore | 0 | 0 | 156 |
| Total Renault | 147 | 151 | 152 |
| Eagle | 151 | 95 | 117 |
| Total AMC | 151 | 95 | 117 |
| AMERICAN MTRS. | 148 | 140 | 148 |
| Horizon | 28 | 35 | 25 |
| Sundance | 51 | 49 | 186 |
| Turismo | 111 | 161 | 87 |
| Reliant | 64 | 55 | 58 |
| Caravelle | 80 | 75 | 59 |
| Plymouth | 39 | 49 | 50 |
| Total Plymouth | 59 | 57 | 52 |
| Laser | 0 | 60 | 148 |
| LeBaron K | 63 | 77 | 68 |
| LeBaron J | 125 | 132 | 0 |
| LeBaron GTS | 107 | 144 | 101 |
| Fifth Avenue | 93 | 132 | 59 |
| New Yorker | 160 | 100 | 187 |
| Total Chrysler | 106 | 112 | 79 |
| Omni | 29 | 35 | 27 |
| Shadow | 48 | 47 | 216 |
| Charger | 101 | 134 | 88 |
| Daytona | 89 | 96 | 93 |
| Aries | 65 | 55 | 56 |
| Lancer | 95 | 160 | 117 |
| Diplomat | 70 | 51 | 46 |
| Dodge 600 | 79 | 94 | 78 |
| Total Dodge | 68 | 68 | 66 |
| CHRYSLER MTRS. | 80 | 78 | 66 |
| Escort | 71 | 71 | 49 |
| Mustang | 40 | 41 | 44 |
| Tempo | 56 | 74 | 60 |
| Taurus | 68 | 73 | 50 |
| Thunderbird | 69 | 82 | 76 |
| LTD | 0 | 0 | 52 |
| Crown Victoria | 38 | 41 | 49 |
| Total Ford Div. | 61 | 66 | 54 |
| Lynx | 74 | 76 | 63 |
| Topaz | 69 | 94 | 49 |
| Sable | 93 | 112 | 43 |
| Cougar | 66 | 81 | 54 |
| Capri | 0 | 0 | 74 |
| Marquis | 0 | 0 | 51 |
| Grand Marquis | 45 | 49 | 45 |
| Total Mercury | 68 | 79 | 51 |
| Continental | 56 | 80 | 63 |
| Lincoln | 46 | 43 | 52 |
| Mark VII | 44 | 45 | 65 |
| Total Lincoln | 46 | 46 | 55 |
| Total L-M Division | 63 | 70 | 52 |
| FORD MOTOR CO. | 62 | 68 | 53 |
| Skyhawk | 99 | 112 | 117 |
| Somerset Regal | 95 | 116 | 65 |
| Century | 123 | 121 | 95 |
| Regal | 57 | 75 | 88 |
| LeSabre | 77 | 96 | 87 |
| Electra | 94 | 122 | 84 |
| Riviera | 71 | 76 | 178 |
| Total Buick | 91 | 107 | 90 |
| Cimarron | 100 | 120 | 127 |
| Allante | 185 | 136 | 0 |
| Seville | 71 | 74 | 251 |
| Cadillac | 100 | 111 | 85 |
| Eldorado | 62 | 86 | 160 |
| Total Cadillac | 95 | 106 | 103 |
| Chevette | 81 | 64 | 94 |
| Nova | 40 | 41 | 81 |
| Cavalier | 88 | 105 | 59 |
| Citation | 0 | 0 | 114 |
| Camaro | 69 | 61 | 73 |
| Celebrity | 91 | 63 | 71 |
| Corsica/Beretta | 62 | 57 | 0 |
| Monte Carlo | 120 | 119 | 97 |
| Chevrolet | 77 | 91 | 67 |
| Corvette | 117 | 94 | 76 |
| Total Chevrolet | 74 | 71 | 72 |
| Firenza | 125 | 139 | 76 |
| Calais | 62 | 86 | 52 |
| Cutlass Ciera | 93 | 101 | 75 |
| Cutlass Supreme | 56 | 75 | 63 |
| Olds 88 | 67 | 83 | 111 |
| Olds 98 | 80 | 95 | 74 |
| Toronado | 58 | 47 | 142 |
| Total Oldsmobile | 75 | 89 | 81 |
| Fiero | 89 | 106 | 104 |
| 1000 | 83 | 111 | 125 |
| Sunbird | 80 | 91 | 47 |
| Firebird | 53 | 52 | 66 |
| Grand Am | 43 | 55 | 47 |
| 6000 | 107 | 101 | 104 |
| Bonn./Gr. Prix | 138 | 156 | 85 |
| Grand Prix | 0 | 0 | 106 |
| Parisienne/Bonn. | 118 | 114 | 62 |
| Total Pontiac | 76 | 81 | 75 |
| GENERAL MTRS. | 78 | 84 | 79 |
| VOLKSWAGEN | 75 | 123 | 71 |
| HONDA | 13 | 11 | 6 |
| NISSAN | 51 | 49 | 21 |
| TOYOTA | 68 | 47 | 0 |
| DOM. TOTAL | 71 | 75 | 69 |
| Subcompact | 53 | 56 | 61 |
| Compact | 68 | 74 | 62 |
| Intermediate | 84 | 84 | 73 |
| Standard | 57 | 77 | 74 |
| Luxury | 81 | 87 | 80 |

# Domestic, import stocks drop

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The Aug. 1 stockpile of domestic cars in the United States was the lowest in seven months. Inventories of unsold imported vehicles were slimmer than last month, too, but were higher than on June 1.

Last August's domestic inventory was also a seven-month low. This summer, lower domestic inventories can be attributed to extended plant closings for model changeovers and to a number of attractive incentives offered in July.

The decline in the import-car stockpile may have been helped by German, French and Japanese automakers' incentive programs. The 54-day supply of imported cars was two weeks more than last year's 40-day Aug. 1 stockpile, but it was lower than last month's 60-day supply.

August opened with an inventory of 1,657,974 U.S.-built cars, a 71-day supply. That was 12.74 percent below the previous month's stockpile of 1,900,096 cars, a 75 day-supply.

On Aug. 1 last year, the domestic inventory was 1,725,524, a 69-day supply. Two years ago — on Aug. 1, 1985 — there were 1,579,595 units on hand, a 65-day supply, which is considered in the optimal range.

A number of dealers confirmed that inventory numbers were down in July. Lou Turiano, general sales manager, Bill Luke Chrysler-Plymouth in Phoenix, Ariz., said: "We're where we have been and want to be with a 65- to 70-day supply." He added, "My '88s are coming in shortly. Voyager and LeBaron convertible are our two sweethearts."

There was a drop in the number of imported cars and trucks on Aug. 1 at ports of entry, in transit within the United States and at dealerships. The combined stockpile totaled 846,350 cars and trucks, a 57-day supply, compared with last month's total of 891,546, a 63-day supply. A year ago, there were 643,893 imported vehicles in inventory, a 43-day supply.

Stocks of unsold imported cars dipped to 628,337, a 54-day supply, compared with last month's total of 650,508, a 60-day stockpile. A year ago, 443,244 cars were in stock, a 40-day supply.

A Nissan and Saab dealer in New York said he was happy with a three- or four-week supply in July.

The Aug. 1 inventory of imported trucks also slipped — to 218,013, a 66-day supply, compared with 241,038, a 71-day total on July 1. A year earlier, truck inventories totaled 200,649, a 49-day supply.

The majority of domestic manufacturers started August with lower days' supplies than in July.

They shared the Aug. 1 domestic inventory this way: General Motors, 56.10 percent; Ford Motor Co., 25.55 percent; Chrysler Motors, 13.75 percent; Nissan, 1.29 percent; Volkswagen, 1.16 percent; American Motors, 0.85 percent; Honda, 0.78 percent; and Toyota, 0.52 percent.

On July 1, the split was GM, 55.65 percent; Ford, 26.18 percent; Chrysler, 13.97 percent; Nissan, 1.35 percent; Volkswagen, 1.21 percent; AMC, 0.86 percent; Honda, 0.53 percent; and Toyota, 0.25 percent.

GM's Aug. 1 stock dropped 12.04 percent from its July 1 total. A dealer who confirmed the lower numbers at his store was Larry Wagers, sales manager, Bud Young Chevrolet-Oldsmobile, Shelby, Ohio.

"Cavaliers and Cutlass Supremes are down to one (day's worth). But since July, our inventories have changed dramatically because of the 1.9-percent (financing incentive) in the last week," he said.

Ford's inventory was 14.84 percent lower than in July. A sales manager for a Ford dealership in St. Charles, Ill., said stocks at his store confirmed the downward trend. He said Ranger and Escort stocks were lower but admitted that Taurus and Thunderbird inventories were up. He added that "incentives will help move and sell them."

The domestic shares by size class Aug. 1 were: subcompact, 16.61 percent; compact, 17.65 percent; intermediate, 43.38 percent; standard, 12.42 percent; and luxury, 9.94 percent.

Stocks of some intermediate-size domestic cars increased during July, while others declined. For example, Chrysler New Yorker sales were down significantly, leaving a 160-day supply, up from a 100-day inventory last month. That was offset by Dodge Lancer sales, which nearly doubled during the month, lowering the supply from 160 to 95 days. Chrysler's offer of rebates or 3.7-percent financing on Lancer boosted sales in July. There were no incentives on New Yorker.

Improved July sales for Volkswagen reduced the company's domestic days' supply. It fell 39 percent, leaving a 75-day supply vs. a 123-day supply a month earlier. Low-interest financing was offered in July.

John Wallace, sales manager, College Park Volkswagen, College Park, Md., said: "Inventories are down. Sales are good."

Imported car and truck inventories declined by 45,196 units during July, which was 5 percent lower than stocks a month ago. The leanest stockpiles were Honda's imported cars, which stood at a 10-day supply. Inventories of imported Renaults climbed to a 266-day supply because sales were down in July.

Imported truck stockpiles declined from a 71-day supply in July to 66 days at the beginning of August. However, that was up from a 49-day supply on Aug. 1 last year.

Nissan's truck sales were off in July, increasing its days' supply to 107 days compared with 69 on July 1, even though its actual unit count was lower.

The Aug. 1 inventory of imported cars by country of origin was split up this way: Japan, 65.64 percent; Germany, 14.58 percent; and other countries: 19.78 percent.

The July 1 inventory share by country was: Japan, 66.23 percent; Germany, 16.21 percent; and other ccuntries, 17.56 percent.

## IMPORT DAYS' SUPPLIES

| | Aug. 1, 1987 | July 1, 1987 | Aug. 1, 1986 |
|---|---|---|---|
| Chevrolet | 142 | 152 | 120 |
| Chrysler Corp. | 88 | 91 | 99 |
| Acura | 33 | 33 | 32 |
| Honda | 10 | 16 | 11 |
| Isuzu | 66 | 93 | 145 |
| Mazda | 41 | 54 | 34 |
| Mitsubishi | 43 | 49 | 87 |
| Nissan | 84 | 85 | 47 |
| Subaru | 83 | 87 | 46 |
| Toyota | 25 | 26 | 13 |
| JAPAN | 53 | 60 | 37 |
| Audi | 56 | 43 | 104 |
| BMW | 67 | 73 | 27 |
| Mercedes-Benz | 50 | 46 | 31 |
| Merkur | 62 | 71 | 73 |
| Porsche** | 114 | 170 | 40 |
| VW | 62 | 80 | 62 |
| GERMANY | 63 | 70 | 52 |
| Alfa Romeo | 62 | 60 | 33 |
| Festiva | 124 | 124 | 0 |
| Hyundai | 26 | 29 | 0 |
| Jaguar | 20 | 11 | 20 |
| Peugeot | 90 | 93 | 86 |
| Pontiac | 59 | 82 | 0 |
| Renault | 266 | 246 | 198 |
| Saab | 61 | 75 | 42 |
| Sterling | 66 | 76 | 0 |
| Volvo | 70 | 59 | 53 |
| Yugo | 62 | 41 | 52 |
| Other Countries | 51 | 52 | 50 |
| Total Import Cars | 54 | 60 | 40 |
| Isuzu | 118 | 130 | 103 |
| Mazda | 73 | 74 | 48 |
| Mitsubishi | 43 | 94 | 97 |
| Nissan* | 107 | 69 | 84 |
| Range Rover | 22 | 18 | 0 |
| Suzuki | 24 | 18 | 16 |
| Toyota | 43 | 60 | 23 |
| Chrysler | 78 | 98 | 116 |
| Total Imp. Trucks | 66 | 71 | 49 |
| Total Imp. Vehicles | 57 | 63 | 43 |

*Includes domestic trucks.
**Estimate.

# Domestic sales for early August beat year ago

Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Domestic car sales for Aug. 1-10 rose 12.07 percent over the same period a year ago, with Ford Motor Co. and General Motors leading the gains. Honda and Nissan also reported big gains.

Sales for the period totaled 170,382 cars compared with 152,035 last year. The daily selling rate increased to 21,298 units, up from 19,004 a year ago. There were eight selling days in the period both years.

GM's announcement of new incentives gave it a sales edge. Sales for the first 10 days were 91,582, up 16.88 percent from 78,355 in the year-ago period. Industrywide cleanup incentives last year weren't launched until late August.

Ford's 10-day sales of 49,402 units were 19.23 percent stronger than 41,435 sold in the comparable 1986 period.

Chrysler Motors sales, which included Eagle division estimates, were off 34.14 percent compared to a year ago, again including American Motors estimates.

Chrysler was not offering 1.9 percent financing during the period. Sales were also hurt by Dodge Omni and Plymouth Horizon being out of production. They are normally high-volume sellers.

Honda's sales of Ohio-built cars rose 89.36 percent to 8,421 compared to last year's 4,447 units. Nissan sold sold 2,195 cars versus six a year ago, when the Smyrna, Tenn., plant was idle.

Toyota, which was not producing cars in the United States last year, sold 568 units in the Aug. 1-10 period this year.

Volkswagen sales slipped to 646 from last year's 1,118, a 42.22 percent drop. Volkswagen stopped its incentives at the end of July.

## DOMESTIC SALES

| | Aug. 1-10, 1987 | Aug. 1-10, 1986 |
|---|---|---|
| Eagle | 565† | 1,400† |
| Chrysler | 7,075 | 7,537 |
| Plymouth | 4,138 | 7,799 |
| Dodge | 5,790 | 9,938 |
| Chrysler Motors | 17,568 | 26,674 |
| Ford | 33,398 | 28,361 |
| Mercury | 12,780 | 9,813 |
| Lincoln | 3,224 | 3,261 |
| Ford Motor Co. | 49,402 | 41,435 |
| Buick | 16,042 | 12,507 |
| Cadillac | 6,055 | 5,285 |
| Chevrolet | 36,395 | 29,876 |
| Oldsmobile | 17,466 | 16,070 |
| Pontiac | 15,624 | 14,617 |
| General Motors | 91,582 | 78,355 |
| Volkswagen | 646 | 1,118 |
| Honda | 8,421 | 4,447 |
| Nissan | 2,195 | 6 |
| Toyota | 568 | 0 |
| U.S. Industry Total | 170,382 | 152,035 |

†—Estimate

# Subaru distributors drop suit; pressure to buy cars alleged

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The difference between having too many cars and not enough is often only one car, according to an old industry saying.

But in the case of four independent Subaru distributors, the too many cars may number in the thousands.

Saddled with a climbing inventory that numbers into the hundreds of days, the four Subaru distributors — New England, South, Mid-America and Inter-Mountain — sued Subaru of America in federal district court in Denver. They accused the company of forcing too many cars on them.

That practice, according to the lawsuit, would force them into insolvency. As a result, it would allow Subaru of America to buy out the distributors at a low price.

Three other independent distributors were not party to the suit. Subaru of America owns another six distributors.

The suit was withdrawn after a Denver judge refused to grant a preliminary injunction barring the shipment of 1,700 vehicles to Inter-Mountain. The distributor said it had not ordered the cars, since it had a 200-day supply of vehicles in stock. A Subaru spokesman said the vehicles were being shipped because they had been ordered by the distributor. He added that Subaru of America has no "master plan," as alleged in the suit, to over-supply vehicles to force the distributors into selling.

The spokesman said that while inventories are high, the company is trying to deal with the problem through the current rebate and interest subvention program.

"We've extended the program and have gone as far as to let the distributors and dealers choose which models, except for Justy and BRAT, get either the cash back or interest rates. That's not a way to put a stranglehold on the distributors," he said.

Allen Kezsbom, an attorney with the New York law firm of Fried, Frank, Harris, Shriver & Jacobsen, which is representing the four distributors, said, "The suit is having an effect. Subaru is attempting to take steps to deal with some of the excess car problems."

Kezsbom said the distributors were told that Subaru of America executives were meeting with executives of Subaru's manufacturer, Fuji Heavy Industries in Japan, to iron out vehicle allocation problems.

# UAW rejects GM proposal tied to productivity, quality

By Michelle Krebs and Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — UAW officials Friday rejected a proposal from General Motors tying job protection and income to productivity and quality at GM plants.

"We are formally saying we cannot accept the proposal or concepts that would replace cost of living or wage increases with lump sum payments — particularly iffy lump sum payments," Donald Ephlin, UAW vice president in charge of the GM department, said.

Ephlin said the problems at GM are not wages but mismanagement. He cited instances where GM is paying more for "friendly" suppliers to do some work than it is paying to its own employees who may not have enough work.

He said the union is willing to cooperate with programs already in place to solve problems related to productivity and quality.

Even though the union has rejected the proposal, Alfred S. Warren, GM vice president of industrial relations, said the company would not remove it from the bargaining table. He said the proposal fostered valuable discussion.

Warren said one of the biggest problems facing the company is making its component divisons competitive.

Ephlin said the company's mid-level managers are violating contracts at some of the automaker's 150 U.S. plants.

"My problem is getting the corporation to do what it promised to three years ago," he said. "There are mid-level managers who are not singing out of the same hymn book as the people on the 14th floor."

GM had called the proposal conceptual and a starting point for discussions addressing the union's demand for job security and GM's need for increased competitiveness.

"Our problems lie in a number of different areas, and one of them is to devise a method of job security without adding cost," Warren said.

Under the proposal, base wages would have stayed at current levels. Lump-sum payments, which would combine the cost-of-living allowance and performance bonuses, would be made to all workers in the first year of the contract. Those payments have been made separately throughout the year.

The COLA formula, in effect, would have been eliminated and the current level of COLA payment retained as part of the incentive payment. COLA now amounts to 86 cents an hour, or $1,788 annually per worker.

Lump-sum payments in the second and third years of the contract would have included the COLA payment as well as performance payments based upon individual plants or divisions meeting or exceeding quality and productivity targets. Performance bonuses would not be paid if a plant or division did not make progress in meeting those targets.

In addition, the proposal would have established a separate pay structure for component and defense-related plants. In the first year of the contract, lump-sum payments to workers at component plants would be smaller than those paid to assembly workers.

In return, GM said it might place a moratorium on outsourcing likely for the first year of the contract while productivity and quality goals were being set. GM also would not outsource work at plants where productivity and quality targets are met.

While GM said the proposal was designed to meet the union's need for job security, the proposal did not guarantee that a certain number of jobs would be retained.

Ephlin had warned that if there was any one issue that UAW members would be willing to strike over, it would be COLA.

"The last time someone tinkered with the COLA formula, it cost us at GM 67 days of wages and 67 days of production to correct that error," said Ephlin, referring to the 1970 strike against GM. "We have no desire to repeat that terrible mistake."

In addition, Ephlin said the union is looking for a return to the annual improvement factor, negotiated in the last contract with Chrysler Corp. Ephlin said the UAW is not opposed to bonuses based upon productivity and quality performance.

The contract negotiated in September 1984 added $250 to the price of every GM car, said Warren. The industry can no longer pass along the cost increase to the consumer, he added.

GM's initial contract proposal came two weeks earlier than it normally does. Warren reiterated the complexity of the problems necessitated an early start.

Observers said GM's initial contract proposal came early to test reaction to its radical proposal and so that GM could point out its differences from Ford.

Ford also finished its third week of negotiations, but no company proposal was presented to the union. The UAW's contracts with both Ford and GM expire Sept. 14.

# Striking VW workers in Mexico block highways

By Stephen Downer
STAFF CORRESPONDENT

MEXICO CITY — Thousands of striking Volkswagen de Mexico workers blocked all roads into and out of the city of Puebla for 3½ hours last Tuesday.

The following day, they blocked access to the city's six VW dealerships and closed all entrances to four facilities being used as emergency offices by the company.

The previous week, they drove 13 buses across the main Mexico City-Puebla highway and left them there for several hours.

Arturo Garduno Escobar, spokesman for the Independent VW Union, said last Wednesday that if the company did not discuss the union's demands by today the union would consider occupying state government offices in Puebla and blocking VW's several hundred dealerships throughout Mexico.

"We know these acts are illegal," he said. "But we also know that the company is breaking the law by refusing to talk."

The strike, declared legal by the federal government, began July 1. The 10,500 workers are demanding a 100 percent wage increase and are fighting the company's plan to reduce the workforce by about 800.

Garduno Escobar said VW's management, which has been unavailable for comment, also wants to cut vacations and year-end bonuses by 50 percent. He said the company has offered a 5 percent raise.

"We are not going to lose this strike," Garduno Escobar said. "We're prepared to accept the consequences of our actions."

Herminio Nunez Navarro, who heads the National Union of Ford Motor Co. Workers, said his members would not take similar action. About 3,200 Ford workers have been on strike since July 20, demanding an emergency wage increase of 23 percent.

"Motorists are not to blame," he said. "We will follow normal strike procedures."

The Ford strikers work at the Cuautitlan plant and in Mexico City at a parts warehouse and the company's headquarters.

Nunez Navarro said Ford has offered a 6 percent raise plus the equivalent of about $50 in food vouchers. "For some workers, that represents a 23 percent increase," he said. "But for the highest-paid workers, it's worth no more than 11 percent.

"Ford made a profit of $3 million in the first six months of the year, its first profit in Mexico for five years. It can afford to pay what we are asking," he said.

Ford of Mexico makes the Thunderbird, Cougar, Topaz and pickup trucks in Cuautitlan and is preparing to produce the Taurus there later this year, he said.

A Ford spokesman said, "We are doing our best to find a solution to the strike."

The 950 workers at Ford's engine plant in Chihuahua and the 843 who work at the Tracer plant in Hermosillo accepted a 23 percent emergency increase July 1.

# CENSUS

FROM PAGE 1

change in the number of intercorporate duals brought the industry's net loss to 74.

All figures in this article and in the accompanying tables indicate the net change in the dealer population, both for the individual corporations and car lines and for the domestic industry as a whole.

The midyear census marks the last time that American Motors will be be listed as a separate automaker. Chrysler Corp.'s purchase of AMC took effect Aug. 5. Henceforth, the former AMC outlets will be part of Chrysler's Jeep-Eagle network.

The first half of 1987 saw a major reduction in the number of dealerships that handle only domestic cars. Ford Division and Pontiac jumped into the captive-import arena with Ford Festiva and Pontiac LeMans from South Korea. Not all Ford Division outlets are stocking Festiva at this moment, but they are expected to have the car by October.

The Mexican Tracer gives all Lincoln-Mercury dealers a captive — some of them don't carry the Merkur line — and AMC resumed importation of Renault models (Medallion). That leaves only Buick, Oldsmobile and Cadillac without a captive.

Many of those GM dealers handle a non-captive import, and those that are dualed with Chevrolet or Pontiac have entered the captive import field. Cadillac dealers are at least halfway into the import lair. Their Allante is assembled in the United States, but the body is made by Pininfarina in Italy.

Automotive News estimates that not more than 1,200 of the 20,331 "domestic" dealerships handle only U.S.-built cars.

This year, the second-quarter decline in the dealer total amounted to 28 outlets. It was an improvement over the first quarter, which saw 46 establishments fade from the scene. In 1986, there was a loss of 25 in the first quarter and 77 in the second for a total of 102.

Franchise totals increased for the domestic makes during the first half. There were gains of 3 for Mercury, 13 for Lincoln and 30 to 37 for Chrysler, Plymouth and Dodge. The other side of the ledger showed drops of 5 to 16 franchises for Buick, Oldsmobile, AMC, Renault and Ford and a decline of 40 for Chevrolet. Cadillac, Pontiac and Volkswagen were unchanged for the first half.

The gains outnumbered the losses; there were 17 more franchises on July 1 than on Jan. 1.

Chrysler Motors continued a dealership upturn that began late in 1982; it has recorded only one decline in its total in the last 19 quarters. This year, Chrysler posted an advance of 18 in both the first and second quarters. Its dealer total now is the highest since the spring of 1980.

In addition to its 4,051 car dealers, Chrysler has three that handle only Dodge trucks. They are not included in the Chrysler Motors dealership total or the Dodge car-franchise total.

Ford Motor Co. was steady in the first half with dips of nine outlets in the first quarter and four in the second. Last year, the declines were 16 and 19 for the first two quarters.

Ford Motor has 111 dealerships that handle only Ford heavy-duty trucks. They are not included in the company's dealership total or in the Ford Division franchise total.

GM had a drop of 50 dealerships in the first quarter and 30 in the second. The total of 80 was more than three times as severe as in 1986 when the first two quarters brought declines of five and 20.

GM's overall dealer count on July 1 was 10,145, including GMC truck outlets that do not handle any of the corporation's car lines.

Dealer losses for AMC-Renault totaled 12 in the first quarter and seven in the second. The first-half decline of 19 compared with a dip of 50 last year.

About 1,210 of the 1,330 dealerships handle both AMC and Renault. AMC has 726 duals with Big 3 cars, and Renault is included in 665 of them.

Including Jeep, the AMC-Renault dealer total was 1,451 on July 1. That is the network that is now Chrysler Motors' Jeep-Eagle organization. About 170 of those stores are dualed with Chrysler Motors makes.

Volkswagen showed no change in its dealership count for the first half. It added two outlets in the first quarter and lost two in the second. About 100 VW dealerships handle Big 3 cars.

The latest domestic dealer count of 20,331 is down 240 from 20,571 on July 1, 1986. Chrysler gained 51 during the 12-month period, and there were slips of 205 for GM, 41 for AMC-Renault and 35 for Ford Motor. VW had the same number of dealers on both dates. A change in the number of intercorporate duals brought the decline for the industry to 240.

**U.S. CAR OUTLETS**

| | Jul. 1, 1987 | Jan. 1, 1987 |
|---|---|---|
| American Motors-Renault | 1,330 | 1,349 |
| Chrysler Corp. | 4,051 | 4,023 |
| Ford Motor Co. | 5,447 | 5,460 |
| General Motors | 9,600 | 9,680 |
| Volkswagen U.S. | 878 | 878 |
| TOTALS | 21,306 | 21,390 |
| Minus Intercorporate Duals | 975 | 985 |
| NET OUTLETS | 20,331 | 20,405 |

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**U.S. FRANCHISES**

| | Jul. 1, 1987 | Jan. 1, 1987 |
|---|---|---|
| AMC-RENAULT | | |
| AMC | 1,295 | 1,309 |
| Renault | 1,245 | 1,258 |
| CHRYSLER CORP. | | |
| Chrysler | 3,094 | 3,064 |
| Dodge | 2,997 | 2,960 |
| Plymouth | 3,065 | 3,033 |
| FORD MOTOR CO. | | |
| Ford | 4,600 | 4,616 |
| Lincoln | 1,630 | 1,617 |
| Mercury | 2,754 | 2,751 |
| GENERAL MOTORS | | |
| Buick | 2,945 | 2,950 |
| Cadillac | 1,615 | 1,615 |
| Chevrolet | 4,935 | 4,975 |
| Oldsmobile | 3,165 | 3,175 |
| Pontiac | 2,975 | 2,975 |
| VOLKSWAGEN U.S. | 878 | 878 |

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# DeLorean settlement will stand

DETROIT — A federal judge has denied the British government's challenge to a bankruptcy settlement between John Z. DeLorean and the trustee for creditors to his defunct sports-car company.

Attorney Malcolm Schade, who represented the British government, had argued that there were no guarantees that DeLorean would be able to pay the creditors $9.3 million, as stipulated in the settlement. Great Britain helped finance the DeLorean Motor Co. project in Northern Ireland and was the largest creditor in the case.

But in a ruling here Friday, Judge Ray Reynolds Graves approved the settlement, which is expected to resolve DeLorean's U.S. bankruptcy troubles. Graves rejected Schade's claims, including the argument that DeLorean could have hidden assets.

"The objecting creditors have failed to demonstrate that this settlement is unfair, unreasonable, or that the estate would be enhanced if this litigation were carried forward to conclusion," Graves wrote. He said the agreement was a fair one and promises a return to the estate.

Schade also represented Renault, which was a supplier to the DeLorean venture.

# Car output moves up

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's targeted domestic auto production increased over the prior week's build, as several plants returned to work after being idle for model changeover.

Output of 79,425 cars was 13.37 percent more than the previous week's 70,060, but it fell 10.38 percent from the year-ago week's 88,621.

So far this year, 4,473,718 cars have been built, 10.87 percent below the 5,019,066 completed last year at this point.

Companies split last week's production as follows: General Motors, 35.60 percent; Ford Motor Co., 32.18 percent; Chrysler Motors, 15.74 percent; Honda of America Manufacturing Inc., 8.49 percent; New United Motor Manufacturing Inc., 4.72 percent; and Nissan Motor Manufacturing Co. U.S.A., 3.27 percent.

As reported earlier, Volkswagen of America's Westmoreland, Pa., plant remains closed until Sept. 14.

Ford's Kansas City, Mo., plant is idle this week because of a parts shortage.

Chrysler's Kenosha, Wis., plant is idle for vacation until Aug. 24.

The following GM plants resumed production last week: Buick City in Flint, Mich.; Janesville, Wis.; Lansing (No. 2), Mich.; Pontiac, Mich.; and Willow Run, Mich.

These GM plants were scheduled to resume output this week: Bowling Green, Ky.; Tarrytown, N.Y.; Orion Township, Mich.; and Van Nuys, Calif.

The following GM plants remain idle for model changeover: Lordstown, Ohio; Pontiac Fiero plant in Pontiac, Mich.; Detroit-Hamtramck (excluding the Allante line); Arlington, Texas; Framingham, Mass.; and Doraville, Ga.

Daily overtime is slated this week for Ford's Wixom, Mich., plant.

# Week's truck production slips

U.S. truckmakers scheduled production of 68,070 units last week, 2.66 percent below the prior week's 69,931 but 15.16 percent above the year-ago week's 59,109.

Year-to-date, 2,364,968 trucks have been assembled, 4.78 percent more than the 2,256,993 built last year at this point.

As reported earlier, General Motors permanently shut down its St. Louis truck plant on Aug. 7. Production of the Crew Cab and extended-chassis models are being transferred to Janesville, Wis.

Ford Motor Co. slated daily overtime this week at its Louisville, Ky. plant.

# Canada posts car, truck gains

Last week's scheduled Canadian auto production of 4,012 was almost triple the previous week's 1,387, but fell 60.21 percent from the year-ago week's 10,084.

Both last week's and the previous week's totals were affected by the number of plants down for vacation and model changeover.

So far this year, 474,297 cars have been assembled, 28.59 percent below the 664,181 completed last year at this time.

Truck production was targeted at 12,011 units last week, 7.44 percent more than the prior week's 11,179 but 5.64 percent below the year-ago week's 12,729.

Volvo's Halifax, Nova Scotia, car plant was idle last week for vacation.

General Motor's Oshawa (No. 1), Ontario, and Ste. Therese, Quebec, car plants are slated to resume output today. Both plants were idle for vacation.

| CANADIAN CAR | Week Ended Aug. 15, 1987 | Week Ended Aug. 16, 1986 | Week Ended Aug. 8, 1987 | Aug. to Date | Jan. 1 to Aug. 16, 1986 | Jan. 1 to Aug. 15, 1987 |
|---|---|---|---|---|---|---|
| AMERICAN MOTORS | 110 | 28 | 107 | 217 | 2,382 | 3,410 |
| FORD MOTOR | 2,928 | 10,056 | 877 | 3,805 | 325,163 | 293,361 |
| GENERAL MOTORS | 574 | 0 | 51 | 625 | 330,185 | 163,845 |
| HONDA | 400 | 0 | 352 | 752 | 0 | 7,264 |
| VOLVO | 0 | 0 | 0 | 0 | 6,451 | 6,417 |
| Total Cars, Canada | 4,012 | 10,084 | 1,387 | 5,399 | 664,181 | 474,297 |

| U.S. TRUCK☆ | Week Ended Aug. 15, 1987 | Week Ended Aug. 16, 1986 | Week Ended Aug. 8, 1987 | Aug. to Date | Jan. 1 to Aug. 16, 1986 | Jan. 1 to Aug. 15, 1987 |
|---|---|---|---|---|---|---|
| CHEVROLET | 17,324 | 13,951 | 18,626 | 35,950 | 756,569 | 725,685 |
| DODGE | 7,000 | 3,358 | 6,493 | 13,493 | 59,241 | 159,313 |
| FORD | 25,421 | 26,981 | 27,320 | 52,741 | 898,221 | 920,211 |
| GMC | 7,070 | 5,758 | 6,736 | 13,806 | 233,939 | 243,521 |
| NAVISTAR | 1,675 | 1,571 | 1,643 | 3,318 | 44,860 | 44,998 |
| JEEP | 4,700 | 3,230 | 4,300 | 9,000 | 112,302 | 136,937 |
| NISSAN | 2,130 | 1,910 | 2,063 | 4,193 | 77,109 | 52,093 |
| AM GENERAL* | 450 | 50 | 450 | 900 | 1,612 | 8,910 |
| MISCELLANEOUS* | 2,300 | 2,300 | 2,300 | 4,600 | 73,140 | 73,300 |
| Total Trucks, U.S. | 68,070 | 59,109 | 69,931 | 138,001 | 2,256,993 | 2,364,968 |

| CANADIAN TRUCK | Week Ended Aug. 15, 1987 | Week Ended Aug. 16, 1986 | Week Ended Aug. 8, 1987 | Aug. to Date | Jan. 1 to Aug. 16, 1986 | Jan. 1 to Aug. 15, 1987 |
|---|---|---|---|---|---|---|
| AMERICAN MOTORS | 750 | 689 | 776 | 1,526 | 17,065 | 20,392 |
| CHRYSLER | 5,837 | 8,301 | 5,816 | 11,653 | 249,145 | 252,341 |
| FORD | 3,347 | 3,546 | 2,732 | 6,079 | 161,590 | 92,829 |
| GENERAL MOTORS | 1,852 | 0 | 1,675 | 3,527 | 172,031 | 133,768 |
| NAVISTAR | 225 | 193 | 180 | 405 | 5,992 | 5,723 |
| Total Trks., Canada | 12,011 | 12,729 | 11,179 | 23,190 | 545,813 | 505,053 |
| U.S., Canada Trks. | 80,081 | 71,838 | 81,110 | 161,191 | 2,802,806 | 2,870,021 |

—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-declined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

| U.S. CAR | Week Ended Aug. 15, 1987 | Week Ended Aug. 16, 1986 | Week Ended Aug. 8, 1987 | Aug. to Date | Jan. 1 to Aug. 16, 1986 | Jan. 1 to Aug. 15, 1987 |
|---|---|---|---|---|---|---|
| AMERICAN MOTORS | 0 | 1,185 | 0 | 0 | 34,343 | 15,994 |
| Renault Total | 0 | 1,185 | 0 | 0 | 34,343 | 15,994 |
| Alliance | 0 | 1,185 | 0 | 0 | 30,996 | 15,994 |
| Encore | 0 | 0 | 0 | 0 | 3,347 | 0 |
| CHRYSLER MOTORS | 12,500 | 19,035 | 14,174 | 26,674 | 848,129 | 659,163 |
| Plymouth Total | 4,700 | 6,827 | 4,970 | 9,670 | 255,416 | 196,961 |
| Horizon | 0 | 3,744 | 0 | 0 | 108,027 | 32,997 |
| Sundance | 1,100 | 0 | 985 | 2,085 | 7,373 | 58,663 |
| Reliant | 2,900 | 2,106 | 2,917 | 5,817 | 99,665 | 70,201 |
| Caravelle | 700 | 679 | 573 | 1,273 | 28,771 | 31,292 |
| Gran Fury | 0 | 298 | 495 | 495 | 11,580 | 3,808 |
| Chrysler Total | 2,900 | 4,471 | 4,483 | 7,383 | 266,348 | 222,769 |
| Laser | 0 | 0 | 0 | 0 | 27,239 | 0 |
| LeBaron K | 900 | 603 | 1,017 | 1,917 | 64,272 | 45,785 |
| LeBaron J | 0 | 0 | 0 | 0 | 0 | 70,194 |
| LeBaron GTS | 600 | 0 | 480 | 1,080 | 43,788 | 25,009 |
| N. Yorker/E-Class | 1,400 | 1,009 | 1,550 | 2,950 | 48,976 | 49,743 |
| Fifth Avenue | 0 | 2,859 | 1,436 | 1,436 | 82,073 | 32,038 |
| Dodge Total | 4,900 | 7,737 | 4,721 | 9,621 | 326,365 | 239,433 |
| Daytona | 0 | 0 | 0 | 0 | 30,807 | 33,909 |
| Omni | 0 | 3,627 | 0 | 0 | 104,168 | 28,363 |
| Shadow | 1,400 | 0 | 1,064 | 2,464 | 6,550 | 60,397 |
| Aries | 2,600 | 1,963 | 2,528 | 5,128 | 77,695 | 66,300 |
| Dodge 600 | 600 | 638 | 510 | 1,110 | 47,572 | 28,032 |
| Lancer | 300 | 0 | 277 | 577 | 34,788 | 15,678 |
| Diplomat | 0 | 1,509 | 342 | 342 | 24,785 | 6,754 |
| FORD MOTOR | 25,560 | 28,153 | 23,109 | 48,669 | 1,120,915 | 1,166,069 |
| Ford Division | 18,178 | 18,213 | 17,060 | 35,238 | 766,402 | 828,472 |
| Escort | 5,498 | 7,868 | 7,075 | 12,573 | 243,424 | 233,183 |
| Mustang | 3,214 | 0 | 2,470 | 5,684 | 120,674 | 132,314 |
| Tempo | 0 | 3,334 | 0 | 0 | 334 | 99,830 |
| Taurus | 6,434 | 3,937 | 7,515 | 13,949 | 342 | 261,946 |
| Thunderbird | 3,032 | 3,074 | 0 | 3,032 | 100,128 | 101,199 |
| L-M Division | 7,382 | 9,940 | 6,049 | 13,431 | 354,516 | 337,597 |
| Mercury Total | 3,861 | 6,880 | 2,371 | 6,232 | 245,203 | 227,399 |
| Lynx | 0 | 1,404 | 2 | 2 | 41,269 | 21,352 |
| Capri | 0 | 0 | 0 | 0 | 11,011 | 0 |
| Topaz | 0 | 868 | 0 | 0 | 37,346 | 32,858 |
| Cougar | 2,034 | 3,060 | 0 | 2,034 | 80,704 | 89,689 |
| Sable | 1,827 | 1,548 | 2,369 | 4,196 | 74,873 | 83,500 |
| Lincoln Total | 3,521 | 3,060 | 3,678 | 7,199 | 109,313 | 110,198 |
| Continental | 0 | 305 | 0 | 0 | 12,242 | 9,610 |
| Lincoln | 2,934 | 2,295 | 3,065 | 5,999 | 81,990 | 83,921 |
| Mark VII | 587 | 460 | 613 | 1,200 | 15,081 | 16,667 |
| GENERAL MOTORS | 28,275 | 30,819 | 19,373 | 47,648 | 2,688,793 | 2,172,414 |
| Buick Total | 7,791 | 10,247 | 2,767 | 10,558 | 495,516 | 344,946 |
| Skyhawk | 1,060 | 1,371 | 0 | 1,060 | 55,174 | 17,511 |
| Century | 2,000 | 2,169 | 1,694 | 3,694 | 154,313 | 106,919 |
| Regal (rwd) | 35 | 1,378 | 0 | 35 | 39,418 | 29,235 |
| Somerset/Skylark | 338 | 147 | 0 | 338 | 70,640 | 37,410 |
| LeSabre (fwd) | 2,380 | 3,723 | 0 | 2,380 | 91,746 | 83,073 |
| LeSabre (rwd) | 109 | 540 | 130 | 239 | 9,770 | 5,940 |
| Electra (fwd) | 1,869 | 0 | 943 | 2,812 | 56,102 | 56,357 |
| Riviera | 0 | 919 | 0 | 0 | 18,353 | 8,501 |
| Cadillac Total | 1,950 | 6,257 | 1,367 | 3,317 | 209,739 | 166,231 |
| Cimarron | 0 | 0 | 0 | 0 | 16,408 | 7,489 |
| Allante | 150 | 0 | 146 | 296 | 0 | 3,108 |
| Brougham (rwd) | 1,800 | 2,204 | 1,221 | 3,021 | 53,624 | 41,807 |
| DeVille (fwd) | 0 | 2,567 | 0 | 0 | 105,314 | 90,573 |
| Eldorado | 0 | 759 | 0 | 0 | 16,528 | 10,534 |
| Seville | 0 | 727 | 0 | 0 | 17,865 | 12,720 |
| Chevrolet Total | 13,272 | 2,130 | 12,738 | 25,010 | 814,697 | 847,671 |
| Chevette | 0 | 0 | 0 | 0 | 61,031 | 0 |
| Camaro | 2,312 | 0 | 2,308 | 4,620 | 115,669 | 74,836 |
| Cavalier | 0 | 0 | 0 | 0 | 257,236 | 204,851 |
| Celebrity | 0 | 0 | 0 | 0 | 162,723 | 192,484 |
| Corsica/Beretta | 8,250 | 0 | 7,827 | 16,077 | 0 | 194,916 |
| Monte Carlo | 0 | 2,130 | 0 | 0 | 74,025 | 42,027 |
| Chevrolet | 2,710 | 0 | 2,603 | 5,313 | 127,707 | 120,474 |
| Corvette | 0 | 0 | 0 | 0 | 16,306 | 18,083 |
| Oldsmobile Total | 4,109 | 8,964 | 1,365 | 5,474 | 868,109 | 397,240 |
| Firenza | 449 | 759 | 0 | 449 | 24,442 | 2,468 |
| Calais | 426 | 227 | 0 | 426 | 75,056 | 69,973 |
| Cutlass Ciera | 0 | 2,225 | 0 | 0 | 170,408 | 99,968 |
| Cutlass Supreme | 1,183 | 1,327 | 0 | 1,183 | 86,525 | 46,721 |
| 88 (fwd) | 1,487 | 1,591 | 1,001 | 2,488 | 214,034 | 109,936 |
| 88 (rwd) | 0 | 330 | 0 | 0 | 12,373 | 10,656 |
| Olds 98 | 564 | 1,892 | 364 | 928 | 71,695 | 38,797 |
| Toronado | 0 | 613 | 0 | 0 | 13,576 | 10,127 |
| Pontiac Total | 1,153 | 3,221 | 1,136 | 2,289 | 500,732 | 416,326 |
| Acadian* | 0 | 0 | 0 | 0 | 9,864 | 0 |
| Fiero | 0 | 0 | 0 | 0 | 44,332 | 20,689 |
| 1000 | 0 | 135 | 0 | 0 | 11,792 | 0 |
| Firebird | 968 | 1,020 | 962 | 1,930 | 71,975 | 50,825 |
| 2000 Sunbird | 0 | 1,293 | 0 | 0 | 85,769 | 60,295 |
| Grand Am | 0 | 340 | 0 | 0 | 139,480 | 149,576 |
| 6000 | 0 | 0 | 0 | 0 | 95,588 | 48,689 |
| Bonneville | 0 | 0 | 0 | 0 | 0 | 79,946 |
| Safari/Parisienne | 185 | 433 | 174 | 359 | 41,932 | 6,306 |
| HONDA | 6,740 | 5,379 | 6,836 | 13,576 | 126,630 | 209,606 |
| Civic | 1,646 | 0 | 2,217 | 3,863 | 0 | 68,993 |
| Accord | 5,094 | 5,379 | 4,619 | 9,713 | 126,630 | 140,613 |
| NISSAN | 2,600 | 319 | 2,551 | 5,151 | 21,901 | 82,548 |
| NUMMI | 3,750 | 3,731 | 4,017 | 7,767 | 128,070 | 124,795 |
| Corolla | 750 | 0 | 884 | 1,634 | 0 | 26,142 |
| Nova | 3,000 | 3,731 | 3,133 | 6,133 | 128,070 | 98,653 |
| VOLKSWAGEN | 0 | 0 | 0 | 0 | 50,282 | 43,129 |
| Golf/GTI | 0 | 0 | 0 | 0 | 50,282 | 34,775 |
| Jetta | 0 | 0 | 0 | 0 | 0 | 8,354 |
| Total Cars, U.S. | 79,425 | 88,821 | 70,060 | 149,485 | 5,019,066 | 4,473,718 |
| Total Cars, Canada | 4,012 | 10,084 | 1,387 | 5,399 | 664,181 | 474,297 |
| U.S., Canada Cars | 83,437 | 98,705 | 71,447 | 154,884 | 5,683,247 | 4,948,015 |
| U.S., Canada Trks. | 80,081 | 71,838 | 81,110 | 161,191 | 2,802,806 | 2,870,021 |
| U.S., Canada Cars and Trucks | 163,518 | 170,543 | 152,557 | 316,075 | 8,486,053 | 7,818,036 |

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

# WIXOM

FROM PAGE 3

of opportunities not being able to build more luxury cars."

Ford's new phosphate E-coat sealant system will be built in a 260,000-square-foot building to be connected by a tunnel to the existing plant. The present paint shop is nearly 30 years old and has been expanded several times, Mills said. There's no more room for growth within the plant.

Ford expects to switch over to the new system without interrupting production.

"It will give us a more robust process and allow us to continue our overall improvement," Mills said. "Not only does it relieve the bottleneck, it also allows us to improve our quality."

Healy called the addition another "low-risk" step in a series of Ford moves to stretch capacity without building new plants. The company's strategy has been to risk short supplies of its cars and trucks in order to avoid being saddled with excess capacity during industry slumps.

In another production move, Ford last week cleared a hurdle in its efforts to build a body and stamping complex adjacent to its Wayne, Mich., assembly plant. The plant is expected to produce the next-generation Ford Escort in 1990.

Last week's expiration of a public comment period gives the city of Wayne the go-ahead to apply to the state for permission to build on a designated wetlands site, said Assistant City Manager John Zech. Another wetlands area will be created nearby in its place.

The city owns the 85-acre parcel and has agreed to sell it to Ford. The company is expected to spend $300 million to $400 million on the 667,000-square-foot stamping plant in addition to renovating the existing Wayne plant. The plant would produce a replacement for the Ford Escort in the 1990 model year.

Zech said construction could begin as early as September, with completion targeted for mid-1989. "We feel very confident that this project will go forward," he said.

# 2 suppliers add Detroit centers

DETROIT — Budd Co.'s Plastics Division will establish a plastics engineering design center in Troy, Mich., and Lear-Siegler has broken ground for a research and technical center in Southfield, Mich.

Budd Co. will relocate personnel and equipment from its Madison Heights, Mich., headquarters to a leased facility in Troy. The 16,000-square-foot center, which will cost $1 million, is scheduled to open in early September.

Lear-Siegler, a supplier of automotive seating, has broken ground for a $5 million Automotive Research and Technical Center in Southfield. The center will house Automotive Group headquarters, currently located in Santa Monica, Calif. It will create 150 additional jobs that will bring the total research staff to 300.

The 69,000-square-foot facility is the second major investment for Lear-Siegler this year. The company, also a supplier of plastic components, tooling and heavy-truck air suspension and brake systems, recently completed a $3 million technical center for heavy-truck products in Muskegon, Mich.